*The China Weekly*

# REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

# U. S. Neutrality Will Increase War Dangers---Tokyo Policy Unchanged

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(*By the Review's South China Correspondent*)

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Japan's Economic and Cultural Drive in China . . By Yen-ying Lu

Can Japan Survive? . . . . . By Nugent Rugge

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## NEUTRALITY LAW WOULD INCREASE WAR DANGERS IN FAR EAST

THAT the Neutrality Bill now under consideration in the U. S. Congress is likely to have unexpected repercussions in the Far East was was indicated in recent dispatches from Washington. Secretary of State Cordell Hull, while advocating that the United States "should preserve none of those war-breeding dangers in the way of neutral rights which caused serious trouble in the past," declared on the other hand that America should not attempt to "hide in a storm cellar of neutrality" in the event of war abroad. He said that the United States must take a broad view of the situation and maintain neutrality "as far as it was practicable to do so, but Americans should not delude themselves with the idea that it was a sure guarantee of keeping out of war."

Secretary Hull's statement was inspired by the continued discussions in Congress pertaining to the Neutrality Bill which has already passed both houses, but in different form, thus making it necessary for further debate before the two houses can reach agreement on the final measure. It is understood that the chief difference pertains to the powers to be granted to the President to declare embargoes on shipments of munitions and other goods to belligerents.

The *Nation* on February 20 called attention to the fact that neutrality, frequently regarded as a means of preventing wars, often has an opposite effect and leads to war. Reference was made to the activities of Foreign Minister Edward Grey of Great Britain who encouraged the Kaiser to believe that Britain would remain neutral; whereas, if he had made it clear in July, 1914, that England would aid France, it is possible Germany might not have opened hostilities. It was suggested that the hope of American neutrality would, in similar manner, encourage a potential aggressor. "Such a neutrality, as advocated by American isolationists, has been Hitler's greatest hope," stated the editorial in the *Nation* and while

no reference was made to the Far East a similar situation prevails in this sphere. Japan would have declared war on somebody long before now had the military clique in that country felt perfectly sure the United States would have remained neutral. According to a pamphlet dealing with American policy in the Far East issued by the Foreign Policy Association and written by T. A. Bisson, U. S. policy which neither achieves real withdrawal nor takes any effective steps to prevent the outbreak of war, creates the danger that the United States will ultimately be involved in any conflict which may develop in the Pacific area. According to Mr. Bisson, who is now in the Far East, "there is little possibility that the two alternatives to the middle-of-the-road course, advocated by isolationists on the one hand and internationalists on the other, will greatly affect the direction of American Far Eastern policy in the immediate future. Complete withdrawal from the Philippines before 1946 is improbable and American support of the principles of the open door policy and China's territorial integrity is too well grounded to be easily shaken. Reduction of American naval strength to conform with a policy of continental defense would necessitate reversal of the present naval building program. Yet measures such as these, unlikely as they are, would be required to give substance to the neutrality legislation as it affects the Far East....."

Aside from America's commitments in connection with the Nine-Power Treaty which cannot be side-stepped so easily as some would wish, the most serious complications exist with respect to the uncertain status of the Philippines. As pointed out by Mr. Bisson, Philippine independence will hardly be achieved before the rising international storm has either broken or dispersed, and in the meantime the new Philippine Army is a military arm of the United States in the Far East. Also there is no sign that the United States is prepared to extend the ban on fortifications of insular possessions and naval bases in the Pacific, and the naval building program is proceeding rapidly and is no longer restricted by quantitative limitations. Then there is the aviation program with emphasis on bombing planes with long cruising radius, with plans for strong aviation bases at Honolulu, in the northwest and on the Alaskan coast—and not to be overlooked in American Far Eastern activities is the Trans-Pacific Clipper Aviation Service, shortly to be extended to the Asiatic mainland. Despite widespread Japanese propaganda of American "withdrawal" from the Orient, as pointed out in recent discussions of this subject in *The Review*, there is still considerable evidence on the other side.

Greatest interest naturally attaches to the question of America's relations with the Philippines, now in process of rapid transition from a status of semi-colony to complete independence in accordance with the terms of the Independence Law passed by Congress three years ago.

When Congress passed the Philippine Independence Law, March 24, 1934, it was provided that the Filipinos were to become entirely free from American control after a period of ten years, the independence proclamation being scheduled for July 4, 1945.

A few days ago there were conflicting reports from Washington indicating that the date for complete independence might be advanced to 1938 or 1939. But President Manuel L. Quezon, who is now in Washington, declared *(United Press, March 19)* that there was little prospect of the independence date being advanced.

The confusion apparently resulted from the issuance of a joint statement by President Quezon and the Assistant Secretary of State, Francis B. Sayre, announcing the early appointment of a joint committee to study the trade relations between the two countries and recommend a program for the adjustment of the economic status of the Philippine Commonwealth. According to the Law this conference of representatives of the two countries could be called at any time up to one year preceding the coming into effect of complete independence. But the Filipinos and the Americans interested in the trade of the Islands want this conference to be called as quickly as possible. The reason is that the prospect of increasing American tariff restrictions against Philippine products has been responsible for serious complications due to the fact that heretofore the United States has absorbed the major portion of Philippine exports which have been admitted to the United States without payment of duty.

As suggested in a previous article in *The Review* (March 6) dealing with the Philippine question, the entire issue of the future status of the Islands has become international, whereas previously it was purely of American concern. Prior to his recent departure from Manila President Manuel L. Quezon issued a statement repudiating any idea of negotiating a neutrality agreement, such as that suggested in the Independence (Tydings-McDuffey) law. In a statement referring to this subject following his arrival in Washington President Quezon said that the initiative in arranging a neutrality agreement would have to be taken by the President of the United States.

Following a conference with President Roosevelt on February 26, President Quezon referred to his plans for the development of the defenses of the Islands, which he thought would be adequate for protection against aggression. He said,

"I think that in ten years we can train and equip 400,000 men. We are not organizing a great professional army. Our regular army will be no more than 10,000 men, but we are training the whole citizenry." President Quezon declined to discuss America's retention of naval bases in the Philippines, pointing out that under the law the matter could not be discussed until after independence had been established.

That the whole question of the status of the Philippines has become acute has been indicated from various quarters. Walter Lippmann, writing in the *New York Herald-Tribune* said that it was quite debatable as to how much of a guarantee the United States would or could give in connection with the independence of a Philippine Republic. There were some, he said, who favor washing their hands of the whole question, but on the other hand there are many who feel that to cast the Philippines suddenly adrift without any kind of international protection is not quite worthy of a nation, which, however mistakenly, did assume responsibility for the fate of the Filipinos. In other words Americans generally will feel that it is a little like taking advantage of their inexperience to say to the Filipinos, "You asked for independence, now take the consequences." Therefore, it is likely that Americans generally would wish to see whether neutralization could be worked out in such a way as to make it reasonably sure that for a limited time the Philippines would be left in peace.

While it was not mentioned in Mr. Lippman's discussion a further element involved in the Philippine situation which is bound to have a fundamental effect upon American reactions is that the Philippines after approximately four decades of American control have more or less suddenly become of very great value. While Americans previously regarded the Philippines as a questionable asset, those now familiar with conditions in the Islands realize that they probably constitute the richest piece of territory in the world.

Gold production, a more or less recent development, will probably exceed U. S. $25,000,000 this year and at the present rate of increase probably would reach U. S. $45.000,000 by 1945.

At the recent annual meeting of the American Institute of Mining and Metallurgical Engineers held in Washington statements were made that both Britain and Japan were showing interest in the expanding mining activities in the Philippines. These activities extend beyond gold production and include development of chromite ores, iron and other minerals.

While international attention has been concentrated on the rapid expansion of gold production in the Philippines, gold actually is but a small part of the wealth of the Islands and is greatly exceeded by many other products, such as sugar and coconuts. In a recent interview with President Quezon at Manila he declared that the Philippine Islands are worth anywhere from U. S. $6,000,000,000 to $8,000,000,000. He said that the forestry products of the Islands alone were worth practically a billion dollars. American economists who have made a study of the resources of the Islands have been somewhat more conservative and have placed the valuation at between U. S. $5,000,000,000 and $6,000,000,000. But whether the value is $5,000,000,000 or $10,000,000,000, it is quite obvious that the Americans if aware of the circumstances would not voluntarily hand over to a commercial and military competitor such a valuable piece of property, which would, without question, be used in international competition against the United States.

What the future has in store for the Filipinos cannot be forecasted at this time, but it is now generally realized that the so-called Tydings-McDuffey law granting independence after a period of 10 years, contained many defects. While this law did set a date for independence, it neglected to adopt safeguards guaranteeing that this valuable property will be given to the people who are entitled to it, otherwise the Filipinos. In other words, the law failed to provide that the real intentions of the American people were being carried out. The problem now facing the Americans is to develop some form of protection for an independent Philippine Republic which will guarantee that the land and its wealth will accrue to the Filipinos and not to the Japanese or some other alien power for exploitation and use against the United States in international trade or in war.

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## Death Occurs of Sir Austen Chamberlain—China Extends Condolences

The death occurred in London Mar. 16 at the age of 74 of Sir Austen Chamberlain, one of Britain's most famous statesmen.

Dr. Wang Chung-hui, Minister of Foreign Affairs, Mar. 18 telegraphically instructed Dr. Quo Tai-chi, Chinese Ambassador in London, to convey the condolences of the Chinese Government to the British Government and the family of Sir Austen Chamberlain over the death of the great English statesman.

With the untimely death of Sir Austen Chamberlain, the distinguished English statesman, China has lost a life-long friend and sympathizer, the official *Central Daily News* declared in a leading article Mar. 19. Eulogizing the signal contributions made by the former Secretary of State for Foreign Affairs, the journal mentioned the unforgettable part Sir Austen played in preparing a memorandum on Britain's China Policy in December, 1926. "This memorandum," the paper asserted, "which deplored the short-sightedness of Britain's China Policy and which advocated a new conception towards the Nationalist Movement in China, marked the turning point in Sino-British relations." While declaring that China and Britian have since 1927 enjoyed ten years of uninterrupted amity, the journal pointed out that such was not the case during the Nationalist Revolution. There were, for instance, the Nanking Road Incident of May 30, 1925, and the later dispute over the rendition of the British Concession in Hankow in 1927.

# Japan Changes Strategy in China, But Retains Old Army Policy

AFTER two months of hesitation, Japan last month, reversed her five-year old strategy in China. The development, one of the most significant in recent Oriental history, came as a direct sequel to the havoc wrought in the Foreign Office's "china-shop" by the Army "bull".

But despite much oratory and debate in the Diet, obviously for foreign consumption, Foreign Minister Naotake Sato was compelled to admit on March 20 that there had been no change in Japan's "basic" policy toward China. The Foreign Minister declared, in the course of a statement in the Diet that there had been some change in the Japanese Government's methods in dealing with China, but "if China continued to ignore international justice, it would be necessary to go back to the old methods."

The Army's action in Manchuria in 1931 forced the Foreign Office to accept meekly the role of an official apologist for the Fighting Services. The Manchurian occupation was followed by the Shanghai war, the conquest of Jehol, the successive campaigns in Chahar and Hopei, the intrigues in Inner Mongolia and the Army-backed smuggling orgy in North China. Each successive step in the Army's program of continental expansion and treaty violations was paralleled by the growing subjection of Japan's diplomats to their uniformed colleagues. The climax came a year ago, when despite the suppression of the military mutiny of Feb. 26, the omnipotent younger officers' clique succeeded in forcing a complete acceptance of its policies by the newly-formed Hirota Cabinet.

Negotiations were begun with Germany for the conclusion of anti-Soviet military agreement. Relations with Russia were brought to a breaking point. Sweeping demands, far exceeding in severity the famous 21 demands of 1915, were presented to the Chinese Government. Peace overtures made by Sir Frederick Leith Ross were scornfully rejected, and secret operations were launched to drive a wedge between China and the Soviet Union by forming a Mongolian "Empire" in Chahar and Suiyuan.

If territorially the younger officers' plans were crowned with success, politically they were a dismal failure. The Soviet military machine in Siberia was strengthened to a point where it gave all evidences of being able to crush the Japanese forces at a moment's notice.

The conclusion of an accord with Germany aroused a storm of protests domestically and internationally. In England, it caused intense alarm and was, to a degree, responsible for the newly announced colossal defense program. Moscow, without hesitation, refused to sign the already negotiated fisheries convention, placed obstacles in the way of Japanese oil prospecting in North Saghalien and discontinued the sales of the badly needed pig iron to Japan's booming munitions industry.

In the United State the animosity aroused by the Japan-German military agreement was so intense that a boycott of Japanese goods has been launched in various parts of the country.

In China, the anti-Comintern agreement was, perhaps justly, interpreted as a disguised plan for new Japanese aggression and gave weight to the proposal of the "Popular Front" to conclude an anti-Japanese alliance with Russia. In Sian, the German-Japanese pact became a new rallying slogan for anti-Nipponese elements.

The most disheartening failure of all was experienced by the younger officers in China, which they once erroneously considered an easy prey. The demands presented by the Army-chosen Ambassador S. Kawagoe were met by the Chinese Government with a totally unexpected fortitude. In face of new external aggression, Chinese warlords abandoned petty rivalry and joined Gen. Chiang in formulating a program of passive resistance.

Nanking's adamant stand was admittedly a gamble. There were moments when the belligerent younger officers, taking advantage of the repeated murders of their co-nationals, were on the brink of embarking on new adventures in China. But Nanking won. With the best possible grace Tokyo retreated, withdrawing its most sweeping demands and consenting to the settlement of the murder cases separately from the broader political issues.

This defeat, whose sting was first felt early last December, laid the foundation for the subsequent reversal of strategy. Perhaps for the first time, the conservative ruling elements in the Army began to realize the seriousness of the domestic and international crisis into which Japan has been plunged by her younger officers. The determination of the ruling Army faction to terminate the younger officers' domination of national politics must constantly be kept in mind in evaluating the developments of the first two eventful months of this year.

Caught between the parliamentary Scylla and the military Charybdis, the Hirota Cabinet resigned in January. Gen. K. Ugaki was prevented from forming a new Government by the Army's "control group", which did not intend to provoke the younger elements unnecessarily. Gen. S.

Hayashi,—a member of the group,—was commanded to form a new Cabinet.

⁂

The moment was pregnant with dramatic possibilities. The younger officers, completely dominant in the Kwantung Army and in some departments of the War Office, vociferously demanded the creation of a Government capable of carrying out Japan's "divine mission", as interpreted by themselves. A serious financial crisis invited the creation of a Fascist administration. Gen. Hayashi's counsellors, led by Mr. S. Sogo, once a liaison man between the Kwantung Army and the South Manchuria Railway Company, pressed the Premier-designate for the acceptance of the younger officers' demands.

Major among these was the appointment of Lieut.-Gen. S. Itagaki, then the chief of staff of the Kwantung Army and the spiritual leader of the military hot-heads, and of Admiral N. Suetsugu, the Navy's stormy petrel, respectively to the War and Navy Ministries. Their appointment, it was generally realized, would have given the younger officers undisputed control over the Government and would have thus been Japan's first step towards a major war.

At this junction, the Army's "control group," including Gen. Count H. Terauchi, Gen. G. Sugiyama and Field-Marshal Prince K. Kanin, stepped into the picture. They understood the significance and the inevitable repercussions of the younger officers' demands and promptly vetoed them. Gen. Hayashi, just as quickly and with undoubted relief, accepted the "Big Three's" nominee, Gen. Sugiyama himself, and the Navy's conservative Admiral M. Yonai.

With the control of the Government safely lodged in their hands, the Army heads took stock of the situation. Domestically, the conditions were extremely unsatisfactory. The impoverished peasants joined hands with the bankers in opposing the ever-growing military expenditures. The industrialists and exporters demanded an immediate cessation of an aggressive policy which was closing the world's markets to Japanese products. The Diet, destined by the younger officers to an immediate and inglorious extinction, was up in arms with a demand that the Army retire from the field of politics. Courageous parliamentarians assailed the military for stimulating a war psychosis and consciously leading Japan towards war, which no one wanted and all feared.

Abroad, the situation was even more serious. The British Parliament and the American Congress, alarmed by German and Japanese rearmament, approved defence appropriations which Japan, with her puny resources, could never hope to equal. Russia has made herself impregnable to foreign aggression, while her Far Eastern armadas of submarines and bombers caused consternation, if not fear, in Tokyo. China, no longer the badly disunited weakling she was six years ago, calmly rejected some of Japan's demands and announced her readiness to resist foreign aggression by force of arms. Time was thus ripe for sweeping changes in Japan's imperial strategy which was responsible for such disastrous results.

⁂

The first signs of Tokyo's eagerness to change its methods in China came late last year. The Sian coup afforded the Japanese empire-builders an opportunity to discard their "positive" policy of threats and warnings in favor of protestations of undying friendship for China, Gen. Chiang Kai-shek and the Kuomintang.

The mutiny itself was even more of a painful surprise for Tokyo than it was for Nanking. The General Staff, kept misinformed of the political and social trends in China by its bellicose resident officers, never realized the depth of the resentment generated by its aggressive schemes in the northern provinces. The Sian coup only convinced Tokyo of the immense popularity of Gen. Chiang but also made it realize the enormous strength of the bitterly anti-Japanese Popular Front. When Tokyo put together the pieces of the Chinese political puzzle,—the declarations of the Southwestern generals, the Communist program, the "Front Populaire," the Suiyuan campaign,—it found a disheartening picture.

Thus it was that two or three days after the Generalissimo's capture, Nanking was informed of Tokyo's benevolent neutrality. This declaration was immediately underscored by the withdrawal of assistance from the Mongol and bandit gangs attacking Suiyuan.

Had Tokyo allowed its younger officers to harass Nanking while Gen. Chiang was held captive in Sian, the Communist-Tungpei-Popular Front alliance would have had little difficulty in initiating an anti-Japanese compaign of unprecedented severity. Indications were not lacking that such a campaign would have had the wholehearted support of Great Britain and Russia, both of which, if for slightly different reasons, have lately been advocating a Communist-Kuomintang anti-Japanese front.

On the other hand, Tokyo was convinced that the three main pillars of the Central Government,—the Army, the landed gentry and the Chekiang and Kiangsu bankers,— would scarcely join hands with the Communists except as a last resort. Moreover, Tokyo knew that there was a powerful faction which would not be averse to a rapprochement with Japan on the basis of the *status quo*. It is on this faction that Japan still bases her hopes of effecting an economic rapprochement with China. Members of this group will find a useful argumentative weapon in the current Tokyo professions of goodwill for the Chinese people and Government. They will however, be seriously Embarassed by Foreign Minister Sato's later

declaration that there has been no change in Tokyo's Policy.

The men behind the scenes in Tokyo today undoubtedly realize that Japanese aggression was the most powerful factor in the creation of a national anti-Japanese front and in the strengthening of Great Britain's influence in China. The younger officers, in trying to force China to join Japan in an anti-Soviet alliance, have also driven Nanking into the loving arms of the Chinese Communist Party and Moscow. This development, as yet not fully understood by the general public, *must* result in an indefinite postponement of Japan's war with Russia, for Nipponese generals will not wage war on Red Russia until they are absolutely certain of China's benevolent neutrality.

All through the Sian incident, Tokyo maintained a "correct" attitude. Even when the Communist-Kuomintang rapprochement was rumored, the worried Japanese officials, both here and in Tokyo, contented themselves with remonstrations, whose mildness shocked many a die-hard in Japan.

With Gen. Hayashi safe in the saddle, the Government embarked on a program of "peace" formulated by the Army's conservative ruling clique. The Premier's declarations, although full of the same honeyed phrases which adorned his predecessor's "Three Principles", emphasized his determination to seek an economic and cultural, rather than a political and military, co-operation with China.

And although he agreed with Mr. Hirota's program, Gen. Hayashi clearly indicated the change of strategy by stressing that "new times demanded new methods." In the brief six weeks that he has been in office, Japan has preached more goodwill in China than in the preceding six years. To Gen. Hayashi must be ascribed, directly or indirectly, the cessation of hostilities in Suiyuan; the silencing of the Army's firebrands in China, Manchuria and Japan; the marked favorable change in Japanese public opinion, and, finally, the dispatch to China of what is probably the most influential economic mission ever to leave Japan. Also planned is the dispatch of a cultural mission.

Sato's appointment to the Foreign Office was another omen favorable to China. Mr. Sato had lived in France so long that, like Prince Saionji, Japan's political oracle, he is intensely anti-German. Moreover, having been away from home for 30 years, he was somewhat ignorant of army politics and could thus proceed with his policies with a greater degree of independence than his less fortunate predecessors.

Sato admitted in the Diet that "our relations with China have reached such a point that my very ordinary assertion that we should deal with China on a basis of equality caused an extraordinary shock."

"It goes without saying", he declared, "that our policy is to respect the independence of China and Mongolia. I do not believe that we should show hesitancy in pressing our minimum demands so long as our attitude towards China is just. Third states will have no reason for being suspicious under such circumstances, and I believe that China will feel the same." In his maiden speech before the Diet on March 8, Sato expressed his sympathy for and appreciation of China's aspiration for equality with foreign powers and called for the re-opening of Sino-Japanese negotiations "in a spirit of equality and reciprocity." He also caused a sensation by asserting that "it is inadvisable for Japan to cause nations interested in the development of China unnecessary misgivings and irritation. On the contrary, Japan must advance her interests peacefully, through co-operation with other powers."

♣

These declarations were paralleled by obviously officially inspired reports in the Tokyo press that the Foreign Office would abandon all but one of its demands presented to Nanking last fall by Ambassador Kawagoe. The sole remaining demand was, according to the *Tokyo Asahi* and the *Nichi-Nichi*, the lowering of Chinese tariff rates on Nippon-made goods. This demand, the two papers said, was to be retained only because Mr. Kawagoe and Gen. Chang Chun came near to an agreement on this matter in their negotiations last fall. It was also believed in Tokyo that Nanking, eager to stop smuggling in North China, would agree to reduce its customs tariff in exchange for the withdrawal of Japanese protection from the Japanese and Korean contrabandists and the autonomous state in East Hopei. There are grounds for believing that during its stay in Nanking and here, the Japanese trade mission broached the subject to Nanking leaders. Also apparently discussed was the inauguration of a Tokyo-Peiping air line, already announced in the Diet by Gen. Hayashi.

The latest gesture was made by its usually belligerent spokesman E. Amau, who voiced the Government's sympathy with China's desire to put an end to consular jurisdiction in China. Tokyo apparently intended to make extraterritoriality its trump card in the forthcoming renewed efforts to effect a Sino-Japanese rapprochement and to check further extension of British influence in this country. It is also within the realm of possibility that Japan would agree to the amalgamation of the so-called East Hopei Autonomous anti-Communist Government with the less autonomous Hopei and Chahar Political Council. With the elimination of smuggling as Tokyo's bargaining weapon, the East Hopei administration would lose some of its utility, and the Kwantung Army might sanction Yin Ju-keng's retirement as a sop to wounded Chinese suscepti-

bilities. Major-Gen. Kita's mysterious interview with Gen. Chiang Kai-shek two weeks ago and his trip North seem to indicate that something is in the air, unless it be the old Army practice of starting trouble while the Foreign Office is making new efforts to bring peace. Abolition of extraterritorial rights and closure of the East Hopei Administration, accompanied by the cessation of smuggling, might well become Japan's cards in bidding for China's friendship.

But the reversal of Japan's methods should not blind China to the fact that it does not signify an abandonment of Japan's fundamental China policy. Just as Tokyo's efforts to saddle China with the 21 demands failed 22 years ago because of foreign opposition, so has new effort to establish military and political control over the country failed because of a plethora of factors, some entirely unrelated to China. With the virtual annexation of Manchuria and the inclusion of the northern provinces within the Japanese political and economic orbit, some argue that Japan should consolidate her gains and wait until another opportunity presents itself for new conquests. Having little idle capital available for investments, Japan has bitten off China a piece which she might be able to chew without outside assistance.

It would be the height of folly to imagine that Japan's current professions of goodwill signify any readiness to negotiate on the return of Manchuria to China, or even the slackening of the Japanese control over the northern provinces. Japanese warlords and industrialists regard Manchoukuo and North China as vitally necessary sources of raw materials for Japan's industries, as markets for her manufactured goods, and, finally, as a jumping-board for further continental conquests. Even Y. Ozaki, Japan's "god of Parliamentarianism", while urging the Government to approach China "with open heart, not with empty words," declared that "it is impossible to return Manchuria to China, for Japan risked her national existence in wars with China and Russia to secure Manchuria".

"For this reason", he said, "Japan need not listen to China's clamor for the return of her so-called territories. Except for this problem, there are no obstacles to Sino-Japanese co-operation."

Belief in the finality of Japanese control of all territory north of the Yellow River has become so imbedded in Japanese ruling-class mentality that leading Tokyo politicians now in all seriousness speak of their readiness to negotiate with foreign powers on the Open Door and Equal Opportunity in *Central and South China*. North China has, in their minds, already become a part of the Japanese Empire.

## Japanese Say Britain's Interest in Development of Hainan Island Lies in Its Military Value

Particular attention is being paid at the present time by Chinese industrial, commercial and political circles to the development of Hainan Island, China's largest insular possession, the interest in this island being incidental to injecting new life-blood into commercial and industrial actitivites in South China generally. The development of Hainan Island is the subject of daily comment in the Japanese newspapers in Shanghai. The *Shanghai Mainichi* Mar. 3, for example, said that since Japanese gunboats entered the ports on Hainan Island during the outbreak of the Pakhoi incident last autumn, the British authorities have begun to be deeply concerned with the strategic significance of the island, and have made every endeavor to persuade the National Government to effect its development with the assistance of British capital. The *Mainichi*, however, expressed the opinion that the British anxiety over the question of Hainan Island has no connection whatsoever with its economic value, as the natural resources of the island are not only deficient, but in addition it is difficult to reap any result from investing any considerable amount of capital owing the fact that the market for foreign goods there is very limited. The *Mainichi* also quoted Chinese sources as stating that funds from the British Boxer Indemnity Refund would be used for the exploitation of Hainan Island. A total sum of $30,000,000 will be made available from this fund, these informants stated. These reports also were cited as revealing the fact that the development of Hainan Island is under the control of Great Britain.

This island, situated to the south of Kwangtung province, is commonly known to the Chinese as Kiungyai or Chuyai. It faces Annam in the west, the Malay Archipelago in the south, the Philippine Islands in the southeast, and Luichow Peninsula of Kwangtung in the north. In view of its geographical position, the island is warm all the year round, the maximum heat being 99 degrees Fahrenheit, and the coldest weather 50 degrees Fahrenheit. The rainy seasons on the island are summer and autumn, while the dry weather is in spring and winter.

In view of its tropical climate and fertility of the soil, the island (according to *Central News*) is ideal for forestation. The plains are suitable for the plantation of cereals, sugar, peanuts, coffee, tobacco, pineapples, rubber, palm trees, cocoanut trees, tea and beans. Forests are found at various mountain ranges on the island, their areas reaching 1,610,000 mow. The island also possesses various kinds of tropical products. The industries on the island include sugar, leather, vegetable, oils, porcelain and chinaware, charcoal, buffalo skins, leather cases, texile goods, shoes, ice, soap, glass, bamboo and ropes. Despite the numerous industries as mentioned, the economic conditions on the island are backward.

Most of the Chinese on the island are engaged in the fishing industry, while the Li tribes (500,000 out of a total population of 3,000,000) mostly living in caves, earn their living by farming. Communication with the island is mostly by means of junks and steamships, which make frequent calls at Hongkong, Kwangchow Bay, Singapore, Siam, Macao and Canton. The island carries on a properous trade with the South Seas, Siam and Annam.

### Wang Hsiao-lai to Visit Hainan Island

Wang Hsiao-lai, president of the Chinese General Chamber of Commerce, together with a number of Shanghai financiers and

engineers, will go to Hainan Island on April 15 to investigate conditions there with a view to the development of the territory.

### Chinese Investors Alleged by Japanese to Be Indifferent Toward Hainan Island Projects

A *Tatung* message from Mar. 18 stated that Chinese merchants and industrialists in Hongkong and Kwangtung appear to be completely indifferent toward reported projects for the development of Hainan Island. The reason for this indifference on the part of potential investors was stated to be that investigation has shown the Island to be far poorer in natural resources than propaganda of the Nanking Government had led many to believe.

### Japanese Say Britain Only Interested in Military Value of Hainan

The *Shanghai Nippo* commented:—"Britain's interest lies solely in the military value of Hainan island. It goes without saying that the strategic value of Hongkong will be enhanced if an airdrome is built on the island, thus facilitating communications between Hongkong and Singapore."

### The Shanghai "Nichi Nichi" Discusses the "Chekiang Plutocrats"

The *Shanghai Nichi Nichi* Mar. 20 commented: "As for the real intention of T. V. Soong, member of the Standing Committee of the National Economic Council, of cooperating with England in the development of Hainan Island, he has attempted to effect closer relations between the British authorities and the Chekiang plutocrats, with the motive of reaching his final goal of cooperation between himself and the British authorities."

### Bubonic Plague in Hainan Island

According to information from the National Health Administration, bubonic plague has broken out in Hainan Island. Dr. Y. T. Yao, Chief of the Department of Parasitology of the General Field Health Station and technical expert of the Administration, has proceeded South to direct preventive work there.

## British Ambassador Warmly Greeted on Arrival in Canton

Sir Hughe Knatchbull-Hugessen, British Ambassador to China, arrived in Canton Mar. 18 from Changsha by train. He was warmly greeted at the station by Gen. Yu Han-mou, Pacification Commissioner of Kwangtung; also by representatives of the provincial government and British consular officials.

In extending a welcome to Sir Hughe, practically all the Chinese newspapers in Canton devoted a large amount of space to editorials on Anglo-Chinese relations. They voiced the hope that the visit of the Ambassador would further cement the friendship between the two countries. Special reference was made to the development of Hainan Island, which, they declared, affords great opportunities for Anglo-Chinese co-operation in South China. They stressed the fact that such co-operation must be on the basis of equality and reciprocity. It was also pointed out that Great Britain needs this co-operation in view of Hongkong's strategic importance to the British Empire, as is indicated by the recent fortifications and the military maneuvers at present in progress. Tributes were also paid to Britian's efforts to promote world peace. Finally the hope was expressed that the Ambassador in the same spirit would help to establish further harmonious Anglo-Chinese relationships in South China.

### Branch of Overseas Bureau Established at Hoihow

A branch of the Canton Overseas' Affairs Bureau was established at Hoihow, Hainan Island, Mar. 16. Ho Pai-hsiang has been appointed Director.

### Canton Mayor in Speech Makes Appeal for British Assistance and Co-operation

After an absence of several weeks, Tseng Yang-fu, Mayor of Canton, returned to Canton from Nanking via Hongkong Mar. 19. Interviewed, Mr. Tseng said that, for the development of Hainan island, engineers would be sent to make surveys of the projected railway route around the island and the proposed harbor work. Construction of the Canton-Whampoa branch of the Canton-Hankow Railway is progressing, he added.

An appeal for the continuation of British assistance and co-operation in China's task of national salvation and reconstruction was made by Tseng Yang-fu, the Mayor of Canton, in a speech at a dinner given Mar. 20 in honor of Sir Hughe Knatchbull-Hugessen, the British Ambassador, and his wife. The country, he declared, was really united, but the work of national salvation and reconstruction was still far from being accomplished. Mr. Tseng urged Great Britain to continue her assistance and co-operation, because, he said, "with the present international crisis, it is entirely imperative for Britain to establish a close friendly relationship with China." With her national strength restored, the Mayor added, China would become a stabilizing influence in the Far East, and would surely contribute an important share in the work of world peace, which Britain had been assiduously undertaking.

### New Railway Network in South China Is Planned

Recent advices from Canton stated that plans for the completion of a large-scale railway network in South China as a means toward the development of industry, commerce and the rural districts are now well under way. According to these plans, railways under construction will include the Nanking-Canton Railway, the Fukien-Kwangtung Railway and the Kwangtung-Kwangsi-Yunnan Railway.

Discussing railroad construction in China, the Shanghai *Nippo* Mar. 12, said negotiations are already proceeding between the National Government and W. M. Kirkpatrick, representative in China of the British Export Credits Guarantee Department, and concrete arrangements are said to have been made for the financing of the projected Canton-Swatow Railway by British capital. It is believed, however, that capitalists of France, Holland and Belgium will also invest in Chinese railway construction.

The *Nippo* also said that the impending visit of T. V. Soong, chairman of the board of directors of the Bank of China, to Europe has aroused great interest in financial circles. It was reported that Mr. Soong, after attending the coronation of King George VI, would visit European countries and would seek foreign investments from Holland, Belgium and France for carrying out of China's Five-Year economic plan.

The *Shanghai Mainichi* in recent issues expressed the opinion that the Five-Year Plan for the economic reconstruction of Kwangtung Province has close relations with the visit to Kwangtung of the British Ambassador. Upon materialization of the arrangement of the loan for such purposes, about half of the sum will be borrowed from England, the *Mainichi* said.

### Mr. Kirkpatrick to Make Trip to North China?

Mr. Kirkpatrick is reported to be planning a trip to North China in the near future, following his return from South China.

### Embargo on Cereals from Kwangtung

Export of cereals and trans-shipment of native and imported cereals from Kwangtung have been strictly banned by the Kwangtung Provincial authorities. Any one found violating the embargo is subject to a fine not exceeding 20% of the value of the cargo, which will be confiscated.

### Hongkong Maneuvers Conclude with Hand-to-Hand Fighting

The greatest maneuvers in the history of Hongkong, in which aircraft and troops from Singapore participated, concluded Mar. 21 with landings at various points by attackers and hand-to-hand conflicts, sometimes even in the city itself. Although the defences were penetrated on several occasions, a communique stressed the fact that the attackers were stronger in the sea and air, and that their efforts were directed in such a way as to test the defences to the utmost.

### T. V. Soong Discusses with General Chiang Establishment of Economic Reconstruction Council

T. V. Soong, member of the Standing Committee of the Chinese National Economic Council, interviewed General Chiang Kai-shek in Nanking Mar. 16, when a lengthy discussion took place on the problem of the economic development of the South-West and the arrangement of a loan from England, the decision with regard to the forthcoming trip of Dr. H. H. Kung, Finance Minister, to England; also the proposals which will be brought up at the ordinary meeting of the Chinese National Economic Council in Nanking. The *Shanghai Nippo* said the contents of these proposals were related with the reorganization or abolition of the National Economic Council and the establishment of an Economic Reconstruction Council, which will undertake the direct leadership in the promotion and direction of the national economic reconstructive enterprises in accordance with the Five-Year Plan for economic reconstruction in China, as proposed by General Chiang Kai-shek, Wang Ching-wei, Dr. H. H. Kung, and T. V. Soong at the Third Plenary Session in Nanking.

Later advices stated that it is expected that the Ministries of Railways and Communications will be merged into the new institution, together with a section of the Ministry of Industry. The committees on finance and foreign loans will also be brought under its control.

## British and Chinese Honor Sir John Brenan, Retiring Consul General

Among the many affairs which were given in honor of Sir John and Lady Brenan prior to their sailing for England and on the occasion of the retirement of Sir John from active service as British Consul General at Shanghai, were two of outstanding importance, one given by Dr. H. H. Kung, Minister of Finance, and the other given jointly by the British Chamber of Commerce and the China Association.

Owing to the fact that Dr. Kung in his capacity as acting president of the Executive Yuan was unable to be present at the tea-reception, his speech was read by his son, Kung Ling-kai.

*(Continued on page 150)*

# British Help in Kwangtung's Economic Development

BY THE REVIEW'S SOUTH CHINA CORRESPONDENT

THE signing at a recent date between the Canton Government and British firms in South China for British material for the improvement of Canton reservoirs involving $2,250,000 (national currency) and for 64 Leyland trolley buses at a cost of £200,000, the rumors of the imminent appropriation of $30,000,000 from the British portion of the Boxer Indemnity Funds for the development of Hainan Island are some of the indications that an era is dawning in the South for extensive British participation in the economic rehabilitation in Kwangtung. Coupled with the signing of these important contracts other significant factors pointing to closer relations between the British and Chinese Governments in the South-west are the exchange of official visits, the visit to Canton last week of W. M. Kirkpatrick, special representative in China of the British Export Credit Department, and the expected arrival in Canton on Mar. 18 from Hankow of the British Ambassador to China, Sir H. W. Knatchbull-Hugessen.

It is stated that when the British Ambassador and members of his entourage arrive in Canton they may be accompanied by T. V. Soong (President of the National Economic Council) and Sun Fo (President of the Legislative Yuan) to pay a visit to Hainan. The British and Chinese officials will then have an opportunity of discussing the development of Hainan on the spot. The date of T. V. Soong and Sun Fo's visit has not been announced but the two are expected in Hongkong or Canton at about the same time when the British Ambassador arrives from Hankow after a tour in Hupeh and Honan provinces. The British Ambassador will spend five days in Canton and interviews have been arranged with various high officials in the Kwangtung Government.

Considering the naval and strategic importance of Hainan in Southern Kwangutng the British investment of $30,000,000 will not only encourage other and bigger Chinese investments on this island of 97,198 square *li*, but it will at the same time serve as an effective barrier against any Japanese military designs in this part of Kwangtung. For some time the Japanese have cast their covetous eyes on Hainan as an important military base. With Hainan as a naval and air base the Japanese could easily extend their sphere of influence from Hainan to Kwangsi and from the latter province to Yunnan. Rich in natural and mineral resources Hainan has a population of 30,000,000, or about one-tenth of Kwangtung's total population. A pioneer corporation for the development of Hainan was recently formed by overseas Chinese capitalists in Singapore with a capital of $1,000,000.

Among the leaders of Nanking T. V. Soong is one of those who greatly favor the opening of Hainan's resources. He visited Hainan when he was in Kwangtung some weeks ago and it is his intention to visit the Island again soon with the British Ambassador, according to Chinese reports, and the British and American Commercial Attaches, the French Consul at Hoihow (Hainan's principal sea-port), Sun Fo and Liu Wei-chi (Commissioner of Reconstructions in Canton). If T. V. Soong's scheme materializes Sino-foreign capitalists are expected to spend $100,000,000 on the opening up of Hainan, making it a first class industrial centre of Kwangtung. Of the $100,000,000, the Chinese and British authorities may jointly subscribe 30 per cent and French and American authorities 20 per cent.

### Kwangtung to Become Model Province

That the National Government has every intention of proceeding with the economic rehabilitation of Kwangtung was first made known to the outside world last September when General Chiang Kai-shek declared in Canton that the Nanking Government would endeavor to make Kwangtung the first model province of China, industrially and commercially. About a fortnight ago it was announced in reliable circles in Nanking that negotiations for funds to finance the initial five-year program for rehabilitation of Kwangtung, involving expenditure of $200,000,000 had reached their final stage. The program covers the development of agriculture, mining and manufacturing. The same message indicated that although British financial interests are expected to take an important part in financial assistance to the Chinese Government, all foreign interests are welcome, provided they observe the regulations laid down by the National Government and do not seek to dominate the enterprises financed.

The French authorities, because of their possession of Kwangchowwan, which is in close proximity to Hainan, may also be invited to participate in the Hainan development, which will include the construction of harbors for ocean-liners, a railway around the island, expansion of roads, and increased utilization of farm and timber land.

Earlier developments of importance pointing to cooperation between Great Britain and China for the rehabilitation of Canton was the signing of contracts between the Mayor of Canton, Tseng Yang-fu, with the representatives in Canton of the British firms, Malcolm and Company and the General Electric Company, for extensive improvement of Canton reservoirs and provision for 64 Leyland trolley buses respectively. The amount involved was stated earlier in this article. The bus and waterworks' projects had been under consideration of the former Canton Government for three or four years and the present administration under Tseng Yang-fu merely carried out the scheme by giving the negotiations the necessary finishing touches.

### Visits of Government Leaders

Of political significance is the exchange of official visits of Canton and Hongkong officials. In September last the Governor of Hongkong, Sir Andrew Caldecott called on General Chiang Kai-shek at the latter's Whampoa headquarters, Canton, when it is understood that important discussions to promote better Sino-British relations in the South-west took place. Returning to Hongkong the British Governor said that he was exceedingly impressed by the cordial reception given by General and Madame Chiang. In November last Canton officials as the representatives of the National Generalissimo returned the official visit by paying a call on the Hongkong Governor in the British Colony. On that occasion General Huang Mu-sung and Mayor Tseng Yang-fu were given the most enthusiastic welcome by the overseas Chinese in Hongkong, to whom the Canton leaders appealed for closer relations between Canton and Hongkong, commercially and politically. Then came Sun Fo and T. V. Soong, coming on different dates. Both called on the Hongkong Governor when they were here. At the time of T. V. Soong's visit it was rumored that he came to sign the building of a loop line connecting the Sino-British controlled Kowloon-Canton Railway with the Chinese administered and newly finished Canton-Hankow Railway. Although Mr. Soong had denied these rumors, Chinese sources in Hongkong believe that the joining up of these two railways is but a matter of time. They anticipate that the two railways must be joined before 1937 is over and the point of contact will be at the Shekpai station, the first station from Canton on the Kowloon-Canton Railway.

The last Chinese leader to call on the Hongkong Governor officially was General Yu Han-mow (Canton's Pacification Commissioner), when he and a party of Canton military officers returned from the Nanking plenary session last week. In the official landing Gen. Yu inspected the Guard of Honor provided by the First Battalion, the Seaforth Highlanders, who were accompanied by the Regimental Colors and Pipe Band.

At the same time when Gen. Yu and party were honored guests of the British officials in Hongkong, William Kirkpatrick, special representative in China of the British Export Credit Department, and Mrs. Kirkpatrick were honored guests in Canton, when the military and municipal authorities gave a number of parties and dinners in their honor. During his stay in Canton Mr. Kirkpatrick took every opportunity of meeting eminent businessmen to discuss the promotion of Anglo-Chinese trade and commerce. While it is said that Mr. Kirkpatrick may visit Hainan such a trip has not been undertaken yet. A Canton report said also that A. S. Henchman, executive of a well known British bank and possibly Sir Victor Sassoon, prominent British banker in Shanghai and Hongkong, may also visit Hainan.

### Immense Possibilities of the Province

That the British authorities now studying conditions in the South-west are fully aware of the immense possibilities of Kwangtung is shown by the speech made in Canton by Mr. Kirkpatrick. Addressing a big gathering of Canton Government officials at a banquet given at the Canton Municipal Government Auditorium William Kirkpatrick said in part as follows:

"My special function is as the representative of a British Government Department which exists to afford practical facilities to British manufacturers and exporters to enable them and to encourage them to undertake the execution of orders for British-made goods which they may receive from Chinese buyers, whether the buyers be from governmental departments or from private enterprises. The Export Credit Guarantee Department which I now represent in China has afforded practical tangible assistance of the nature I have referred to, to many other parts of the world. I have now been commissioned to supply the answer to the question "And why not to China?" I am approaching my task with optimism. I am here in the hope that with your reciprocation I will be able to give a positive answer to that question, an answer in the affirmative. I am an optimist, and I believe there are great opportunities for reciprocal trade between our two countries. Any increase in reciprocal trade must mean reciprocation in a thousand and one other directions—not the least, the greatest indeed, should be and will be mutual regard, mutual respect and mutual goodwill, which three virtues added together will and must produce enduring friendship.

"It is an interesting and stimulating thought that united China and the united British Commonwealth comprises between them almost half the population of the whole world. If we had an equivalent voting power in the whole world affiairs—if such a dream were true, how useful would our combined efforts be for the good of our combined peoples. That sort of voting power may be an unattainable ideal, but we surely still have the power by thinking and associating together with peaceful intent and happily influencing the other half of the world for good."

Hongkong, Mar. 15, 1937.

# Training the Chinese Masses for Defense

BY HALDORE HANSON

FOR every Chinese soldier in uniform there are 200 civilians, 40 in the cities, 160 on the farms. The training of these 200 civilians is considered by many to be more important than the Chinese military preparations, which are proving so costly. Outstanding critics of the Nanking government—Mao Tze-tung, Madame Sun Yat-sen, and Li Tsung-jen—are all demanding citizens' military training. It is the impression of this writer that the average citizen little realizes the scope of mass military training which is now taking place in China, and the meaning of that program for the next five years.

Both the purpose of mass training, and the criterion for judging its effectiveness were subtly defined by General Chiang Kai-shek last November 15 on the occasion of 7,895 citizens in Shanghai completing their "civil training service." General Chiang remarked, "I hope that one day all the 400,000,000 people in China will be citizen-soldiers, organized, disciplined, trained, *and willing to sacrifice their own interests for national defense*." (Italics ours). That last idea, placing the nation before self, is the kernel of what philosophers call China's psychological crisis.

Under the National Defense Council in Nanking there are not less than a dozen organizations created since 1935 to implement General Chiang's dream of 400,000,000 citizen-soldiers. Some of these specialize in military education and drilling for students, for city labor corps, or for village defense units. Others are aiming more at nationalistic training, and are known by such harmless titles as the National Cultural Reconstruction Association, Mass Education Institute, Society of Chinese Boxers, Native Products Association, National Air Defense Corps, and the Common Sense Education Movement. Each of these organizations is teaching the citizen, as General Chiang says, "to sacrifice his own interests for national defence."

In the spring of 1936 the Central Government began active military training for citizens in nine Yangtsze Valley cities. Men between the ages of 18 and 45 were chosen by lot, to receive three months' military drill, 2 hours each day. Each training batch of citizens in Shanghai numbers about 8,000, in Nanking about 5,000, in Hankow and Wuchang 4,000, in Wuhu 500, and similar groups at Hangchow, Nanchang, Anking, Changsha, and Kaifeng. Each of these cities has completed either three or four training batches, totalling not less than 100,000 men. However small the numbers or brief the training, this past year of experimentation has shown the readiness of the Military Affairs Commission to put its paper plans into action.

In the autumn of last year a much more significant form of training began, among the farmers of nine provinces. In Hupeh province the late Governor Yang Yun-tai first organized the villages into *paochia* (ten and hundred family groups). Between 60 and 70% of Hupeh's 28 million people were brought into these organizations. Then military instructors from Nanking, usually called "athletic instructors," were sent to direct the military training in the villages. A college student recently returned from the town of *Ch'i chou*, a district capital in eastern Hupeh with 30,000 population, reports that all citizens between the ages of 20 and 40 are scheduled to receive military training in the next seven years, with 400 in each batch. Similar military training is being directed by national officers in neighboring towns and villages.

### Stringent Form of Conscription in Honan Province

A more stringent form of conscription has been employed by Governor Liu Shih and General Shang Chen in Honan province, according to a recent article in a Chinese magazine at Shanghai. Able bodied Honanese are drafted for 3-months' full time service in the regular army, receiving training first at the district capital, and then passing their final review at Kaifeng, the provincial seat. According to this Chinese writer, the inconvenience to the farmer has led to wide spread bribery of the district magistrates who appoint poorer citizens to substitute for the rich. This petty corruption can hardly blind us to the genuine military preparations going forward.

Under energetic military leaders in some cities, special forms of military training have been organized. In Hankow 1,500 factory workers completed three months' training last November, and 1,200 wharf coolies completed a similar period in December. All the school teachers of Hupeh were compelled to attend a military camp for one month last August, receiving not only drill but some lectures in military tactics. So long as ex-Governor Yang Yun-tai was alive, every official in the Hupeh government, from Commissioner to office boy, took a full hour of military training every morning. This form of training still prevails in Changsha under Governor Ho Chien, I am told.

Citizen's military training is by no means confined to the Yangtsze Valley. Kwangsi has had compulsory training for both men and women, age 20 to 40, for the past two years. Regulations for military conscription were sent by the National Defense Council last September to the provinces of Kwangtung, Yunnan, Szechuan, Shansi, Hopei, and Shantung. A special corps of national military officers is now organizing the villages of Kwangtung. In Shantung province no traveller can move fifty miles without coming upon a village with a squad of farmers drilling in a nearby field. Shansi announced plans on September 19, 1936 for the mobilizing of 30,000 citizens, and Yunnan a month later organized 6,000, but their degree of training is unknown.

One of the most tradition-shattering orders of recent Chinese history was General Chiang's edict on April 23, 1935, that all Chinese college students and middle school students must receive military training. Considering the traditional Chinese disdain for military activity, that order was a social revolution in itself. Today all middle school students in provinces directly controlled by the Nanking government are receiving four hours of drill and two hours of tactical instruction a week during their fourth and fifth years (age about 16 and 17). Once during these two years they attend a military camp for four months of drill, shooting, hiking, and maneuvers. This training is reaching about 80,000 students a year.

Later in college the same student will receive two hours of drill and one hour of tactical instruction each week for four years. Only once, at the close of his sophomore year, he must go to military camp for three months. This training is affecting about 26,000 students.

The air defense drills which are being held in every large city in the Yangtsze Valley, though primarily undertaken for mass discipline, and impressing the citizen with China's external danger (many of the battle posters displayed on the streets depict bombing planes bearing the red sun on the wing), are also training civilian personnel for war duties. During the four day air maneuvers at Hankow March 15-18 martial law was maintained on the ground by 8,000 volunteer defense militia, 3,000 boy scouts, and 1,200 girl scouts, all trained for 3 months in neutralizing gases and handling crowds during a panic. Active social duties of this sort are unquestionably superior to military drill as a means of "nationalizing" the Chinese citizen.

The National Defense Council has not been slow to create or use any nationalistic organization which could center the eyes of the people upon China's external danger. The guidance, for example, which the Kuomintang branches throughout the country gave to the airplane fund for General Chiang last October, or to the Suiyuan defense campaign in November can only be appreciated by those who live in active Kuomintang centers, and see the daily press notices of "a Kuomintang meeting to discuss ways of encouraging" this or that campaign. Unquestionably the money derived from those two campaigns was of less importance than the nationalistic fervor which was aroused.

The Native Goods Association organized by the national government, with active publicity offices in every large city, and sponsoring inter-provincial exhibits, is far more than a trade organ. It is helping to make China economically self sufficient in time of war, and it is focussing the eyes of the citizen upon the nation, as contrasted with the province or the world in general. In result this native goods movement is little different from a boycott of foreign goods.

The skeptic is still entitled to doubt the results of all this training. Three months of military drill, accompanied by patriotic lectures, is a sorry foundation for nationalism compared to the five hundred years of political tradition back of the French and English, or even the 70 years of tribal fanaticism in the Germans and the Italians. Fervent nationalism is not intellectual, but a deep-seated prejudice sucked by a baby from the breast of its mother.

Admitting the enormous difficulties of creating this nationalism in a single generation, can we say that the Central Government is employing the most effective measures? The Chinese communists say no. They believe that the shortest route to national independence is *the arming of the masses*. Not one military official in China who has been responsible for maintaining peace in a famine-ridden province would agree with this contention, and it is very doubtful if Mao Tze-tung himself, were he given the job of training 400,000,000 people, would think it wise to arm the masses indiscriminately. Methods which are ideal for the training of a few million people may prove wholly impractical over an area a thousand times greater.

The propagandizing of the masses, the unlettered masses, is the boldest step undertaken by the Central Government in the past five years of crisis. It is a mixing of ingredients with unknown potency, the setting in motion of a mass movement which, if inflamed by further aggression in North China, may well break loose from government control. Mass training is the surest proof that the government, when sufficiently aroused, is preparing to fight.

Wuchang, March 21, 1937.

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## "Anti-Enemy" Education to Be Taught by Distribution of Pamphlets in Szechuen

The *Shanghai Nippo* Mar. 22 stated that the Sikong Pacification Commission Headquarters in Szechuen had convoked a military education conference, at which the policy for "anti-enemy" education was discussed. A decision was reached that pamphlets urging an "anti-enemy campaign" should be distributed among the whole population of Szechuen.

# Leading Tokyo Paper Declares Economic Mission "A Failure"; Dr. Kung Named Coronation Envoy

**HIGH LIGHTS IN THE EVENTS OF THE WEEK:**

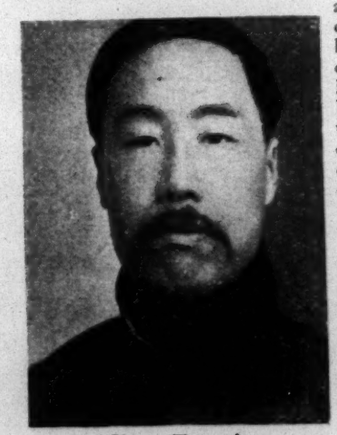
1. **New Conception of Sino-Japanese Relations Urged by Chow Tso-min at Trade Meet.**
2. **Mission Said Advised by Japanese Military Not to Visit North China.**
3. **"Goodwill Is The Best Trademark," Says Dr. Kung to Japanese Traders.**
4. **Tokyo "Asahi" Says Japanese Economic Mission to China Is "A Failure."**
5. **Sino-Japanese Co-operation Impossible Before Removal of Political Obstacles, Says Sun.**
6. **Foreign Minister Sato Affirms Japan's China Policy Remains Unchanged.**
7. **Dr. H. H. Kung Appointed China's Envoy to Coronation of King George VI.**
8. **Gen. Wu Te-chen Appointed Kwangtung Chairman.**
9. **Reds Outline Program of Co-operation With Kuomintang.**
10. **Wang Addresses Mongol Leaders, Urges Self-Reliance in National Salvation.**

Ending a two-day visit in Nanking, the Japanese Economic Mission to China returned to Shanghai Mar. 17. In a brief statement to the press before his departure, Kenji Kodama, head of the Mission, expressed his regret that the party's itinerary did not allow a longer stay in the Chinese capital. He, however, said he and his colleagues were highly pleased with the opportunity for a frank and sincere exchange of opinions with Chinese leaders accorded by the trip.

Extending its official welcome to the Mission, the Sino-Japanese Trade Association was host to the Japanese industrial and commercial leaders at a dinner at the Park Hotel night of Mar. 17.

## NEW CONCEPTION OF SINO-JAPANESE RELATIONS URGED AT TRADE MEET

Desirability of availing themselves of the present improved Sino-Japanese relations to promote closer trade ties between the two countries was mutually stressed by Chinese and Japanese economic leaders at the first meeting of the Sino-Japanese Trade Federation held at Shanghai Mar. 18. Though concrete measures as to how to bring about said objective were not discussed, both Chow Tso-min, President of the Federation, and Mr. Kodama, President of the Japan Unit of the Federation, expressed the hope that the industrial, economic and commercial leaders of the two countries would exert themselves to assist in the removal of obstacles in their political relations.



Chow Tso-min

Presided over by Chow Tso-min and attended by 125 out of a total of 269 members, including the Japanese Economic Mission members, the Federation meeting was held in the auditorium of the Chinese Chamber of Commerce. Only two proposals were brought up and adopted without much discussion, one of which called for the immediate organization of Departments of Investigations and Research in Shanghai and Tokyo to help facilitate the work of the Federation. In his opening speech Mr. Chow stated that the Federation has been established for over a year now but regretted that nothing concrete has yet been done to realize its objective. Reiterating that Japan and China, being neighbor nations, should live like brothers, Mr. Chow revealed that trade relations between the two countries in the past have not been developed to a degree as generally expected. Citing figures Mr. Chow said that Japan occupied only 15.49 percent in China's foreign trade last year and that China took in only 7.3 percent of Japan's exports. Mr. Chow pointed out that most of the Chinese members of the Federation had no direct political relations, but he was of the opinion that in this present world politics and economics are practically indivisible. There have been, Mr. Chow admitted, numerous obstacles in the political relations of the two countries, but the industrial and economic leaders of both countries should assist in removing these obstacles in order to pave way for the materialization of Sino-Japanese economic rapprochement. Fundamentally, Mr. Chow stated, the economic leaders of the two countries should exert themselves in the task of influencing their own people to the necessity of having a new conception of each other's position.

Responding Mr. Kodama said that he agreed fully with what Mr. Chow said as regards the necessity of utilizing the present improved political atmosphere to better the economic relations between the two countries. Continuing Mr. Kodama stated that he was gratified over the warm reception accorded the Japanese Economic Mission in Nanking and Shanghai, and mentioned particularly their meeting with Gen. Chiang Kai-shek, President of the Executiev Yuan, in the capital. The speaker further averred that he was greatly impressed by the Generalissimo's sincerity and frankness in his opinions regarding the question of Sino-Japanese economic rapprochement. Mr. Kodama said that the Mission has also interviewed leading commercial, industrial and economic circles in Nanking and Shanghai, expressing the opinion that the general atmosphere was favorable to the desired objective of the Federation. In conclusion Mr. Kodama emphasized that economic leaders of the two countries should co-operate in their efforts to bring about the materialization of a new conception for each other, thereby enhancing Sino-Japanese friendship by means of closer economic ties.

## NORTH CHINA SITUATION IS OBSTACLE TO SINO-JAPANESE FRIENDSHIP

An outspoken declaration that existing conditions in North China formed one of the most important obstacles to be overcome in promoting Sino-Japanese friendship featured an address by Wang Hsiao-lai, president of the Shanghai Chinese General Chamber of Commerce at a dinner in honor of the Mission given at the Pootung Guild night of March 18. Mr. Kodama thanked his hosts for the cordial reception and emphasized that he and his colleagues were business men, not concerned with political issues. "In our capacity as businessmen," he said, "we shall do our best to promote Sino-Japanese friendship." He repeated this phrase twice. Admitting that the Chinese contention that Sino-Japanese relations would improve by a settlement of existing political issues was "tenable, in principle," Mr. Kodama, in an interview with the *Shanghai Nippo* stressed the need of a new psychological approach to the problem. "I do not believe that the relations between the two peoples will improve just by a settlement of political questions," he said. "We must first seek to soften our sentiments towards each other, by investigating the complicated causes for the existing state of affairs and then endeavoring to correct those conditions." "Economic co-operation is not something one can hope to achieve in one stroke," he remarked, "We intend to carry on slowly and steadily."

Informal meetings continued between the leading members of the Sino-Japanese Trade Federation Mar. 19. Before attending the luncheon tendered by Mayor Wu Te-chen, Chinese and Japanese members of the Federation's board of directors, together with the 13 visitors, held another closed meeting at the Park Hotel. With every member attending the meeting pledged to secrecy, it was impossible to learn what transpired at the conference. It was stated, however, that a frank talk between the Japanese and Chinese conferees took place, and as a result of this exchange of views, a better understanding has already been achieved. *The China Press* learned Mar. 19 that among other things, the Chinese members discussed with their Japanese colleagues three major questions relating to smuggling, tariff and the North China situation.

A plea for the abandonment of "narrow nationalism" in the readjustment of Sino-Japanese relations was voiced Mar. 19 by Consul-General Tatsuo Kawai at a dinner given by him in honor of the visiting Japanese Economic Mission. "In dealing with Sino-Japanese problems," Mr. Kawai declared, "the leading businessmen of the two nations must regard them from the broader point of view of the welfare of the entire Orient.

"It is only natural for the representatives of both China and Japan to think of the well-being of their countries. Yet, they must go a step further, and, in formulating their policies must think of the welfare of the Orient at large. "In other words, their nationalism must give way to something that we can call 'Orientalism.' The latter must be considered first, nationalism must come next."

The members of the Japanese Economic Mission and the directors of the Sino-Japanese Trade Federation held their third informal discussion morning of Mar. 20 in the private residence of Chow Tso-min. They exchanged views regarding the financial and industrial conditions of their respective countries. A number of pamphlets and publications on Chinese industrial firms were presented to the visitors. More than 100 Chinese and Japanese business leaders, including a number of Japanese diplomatic officers, were guests at a luncheon Mar. 20 given by the Central Bank of China, the Bank of China

and the Bank of Communications in the Central Bank of China Club. Among those present were Gen. Wu Te-chen, Mayor of Greater Shanghai, T. V. Soong, chairman of the board of directors of the Bank of China, and others. Jian Chen, deputy-governor of the Central Bank of China, welcomed the visitors on behalf of Dr. H. H. Kung, Minister of Finance.

## JAPANESE ECONOMIC MISSION REACHES THREE CONCLUSIONS

Clear recognition of China's unshakable place in the comity of modern states, respect for the present *status quo* between China and Japan, and concentration of Japan's efforts in North China for developing her economic influences are the three important conclusions reached by the Japanese Economic Mission after a week's careful study of Chinese conditions in Shanghai, according to a special despatch of the *Tokyo Asahi* from its correspondent in Shanghai Mar. 21. It was impossible not to recognize that China has firmly established herself in the family of modern nations, the Mission decided, and it would therefore be necessary for Japan, her neighbor, to render assistance to her painful effort in evolution. Japan, the Mission believed, has ample room for economic expansion in China, especially in view of the latter's repeated hope that Japan would give her assistance. In advancing Japan's economic interests, however, the Mission was of the opinion that respect must be shown for the *status quo* between the two countries. For the present, it would be impossible for Tokyo to do anything more than minimizing the points of friction between China and Japan caused by a number of incidents from time to time. The Mission believed that Japan's effort must be chiefly directed toward North China rather than the Yangtze Valley where British influence is firmly entrenched. Japan, it was of the opinion, must establish her base of operation in North China as a lever to extend her interests gradually southward towards the Yangtze.

Returning the courtesies received during the six-day stay of the Mission in Shanghai and in Nanking, Kenji Kodama, leader of the group, gave a banquet for Chinese and Japanese officials, businessmen and bankers at the Rokuan Gardens, Chapei, evening Mar. 19.

Members of the Japanese economic mission began their homeward journey Mar. 22, taking various routes, the local Japanese papers reported. Mr. Kodama will remain in Shanghai until the end of this month, to make a closer study of the recent economic trends in China. Mr. Ishida, managing director of the Mitsui Bussan Kaisha, left Shanghai Mar. 22 by plane for Tsingtao. He will later visit Tientsin and Dairen. Mr. Hori, President of the Nisshin Kisen Kaisha, which operates vessels on the Yangtsze River, left the same day by air for Hankow and Chungking. The majority of the members left Mar. 23 for Japan.

The speech of Chow Tso-min at the opening meeting of the Federation Conference Mar. 18 in Shanghai, was extensively reported in the Tokyo papers Mar. 19. Already Mr. Chow's contention that economic rapprochement between China and Japan must remain a difficult task until political obstacles are removed has aroused hot controversy among the intelligentzia in Tokyo.

## MISSION ADVISED BY JAPANESE MILITARY NOT TO VISIT NORTH CHINA

Failure of the Japaners Economic Mission to visit North China and acquaint itself with the deplorable situation there is regretted by the Chinese community. Several of the Chinese papers hinted that the Mission was "advised" not to visit North China by the Japanese military authorities. In order to avoid embarrassment, only three of the 13 members will leave for North China in private capacities, the papers declared.

Eighty-two tins of smuggled petroleum were seized Mar. 19 by Customs preventive officers at the Hsiang Tai Jui Petroleum Co. in the Chinese City in Tientsin. The contraband was sent to the Customs godown while the manager of the company was taken into custody for questioning.

Another batch of smuggled piece-goods, numbering over 70 bundles was seized by Customs preventive officers Mar. 18 in a Chinese inn on Ku Ti Street, Tientsin. The contraband was taken to the Customs godown in four trucks.

## "GOODWILL IS THE BEST TRADEMARK," SAYS DR. H. H. KUNG

Citing the English proverb "Goodwill Is the Best Trademark" as the main theme of his address, Dr. H. H. Kung, Minister of Finance, welcomed the Japanese Economic Mission at a dinner party at the Ministry of Communications Mar. 16. In his speech, Dr. Kung expressed the hope that the members of the Mission, being economic leaders of Japan, will:

(1) conduct a thorough survey of the economic situation in China and gain a definite perspective so that they may promote economic relations which may be beneficial to both countries;

(2) exchange opinions with the Chinese members of the Sino-Japanese Trade Association in a frank and open manner for the mutual benefit of China and Japan, and

(3) sweep away threatening clouds which have hitherto hovered over the horizon of China and Japan so that future Sino-Japanese relations may head for a brighter direction.

"Cordial diplomatic relations emphasize the spirit, not words," stressed Dr. Kung.

## YUKI TO ASK CHINESE TO REFUND JAPANESE LOANS

While the prerequisite problem for the realization of Japan's plan for economic rapproachment with China lies in whether the political obstacles could be removed or not, the fundamental question, however, is whether Japan possesses sufficient surplus capital for investment in that country. Mr. Yuki, the Finance Minister, is reported to be cherishing the program of trying to pick up the old topic of rehabilitating the previous loans from Japan to China. The plan is that a new contract be negotiated providing under certain conditions an annual amount of China's repayment on all those loans which have not been paid by China and the interest accrued, and such repayment amount will form the fund for economic rapproachement with China. Calculations in Tokyo gave the total sum of these debts as around 500,000,000 yen.

## SINO-JAPANESE COOPERATION IMPOSSIBLE BEFORE REMOVAL OF POLITICAL OBSTACLES, SAYS SUN

Political obstacles between China and Japan must be removed first before Sino-Japanese economic co-operation can be realized, declared Snu Fo, President of the Legislative Yuan, in Shanghai Mar. 20. Citing the situation in Eastern Hopei and northern Chahar and the rampant smuggling in North China, Mr. Sun added that prior to the settlement of these problems, it is premature to talk about Sino-Japanese economic rapprochement. Co-operation between any two countries, Mr .Sun pointed out, should come about under the condition that these countries are on the same and equal footing. If China wishes to co-operate with another country, the pre-requisites must be strength and resolution to resist foreign aggression. Mr. Sun welcomed the co-operation of any country with China, provided that that country treats China with equality and that said co-operation does not entail the infringement upon her sovereign rights and territorial integrity. China will never accept the co-operation that is detrimental to her national interests, he emphasized. Regarding the abolition of extra-territoriality which foreign nationals enjoy in this country, Mr. Sun said that the solution of this thorny problem is much dependent upon the strength of the Chinese people.

## "ASAHI" SAYS MISSION TO CHINA WAS "FAILURE"

Sharply scoring the Chinese attitude of "putting political issues above all other considerations," the *Tokyo Asahi* expressed Mar. 22 its belief that last week's Sino-Japanese economic conversations in Shanghai were "a failure." "As has been intimated by Seijiro Miyajima, President of the Nisshin Spinning Company and a member of the Economic mission to China," said the journal, "the conference was utilized solely for the purpose of exchanging complaints." Japan, according to the *Asahi*, now has no alternative but to go on with the economic development of North China. "A belief is gaining ground here," the daily continued, "that the maintenance of the *status quo* in North China is the utmost concession that Japan can make to China. Any further concessions would only tend to complicate the situation. "If the question of the East Hopei administration is taken up," the journal declared, "the haughty Chinese will immediately challenge the Japanese interests in North China, as they did years ago in Manchuria. The question of special trade in East Hopei can be amicably settled without making changes in the present administration of the region."

A categorical denial of the Tokyo *Asahi's* declaration that last week's Sino-Japanese conversations here were "a failure" was issued through *Domei* Mar. 22 by Mr. Kodama, head of the Japanese economic mission to China. "If the statements attributed to the *Asahi* are correct," Mr. Kodama declared, "the newspaper has based its opinion on a wild guess. The *Asahi*'s view is diametrically opposed to our impressions gained in Nanking and Shanghai and to the spirit in which the Sino-Japanese conversations were carried on. Unfortunately, such an editorial is likely to invite popular misunderstanding. Actually, the Japanese and Chinese delegations to the meeting of the Sino-Japanese Trade Association have amicably exchanged frank views and regard with optimism the effetsc of the conference."

Chinese attempts to promote Sino-Japanese economic co-operation by discussing political issues with the Japanese Trade Mission on the grounds that "politics and economics are inseparable," show "an appalling ignorance of the situation in Japan," the *Shanghai Nippo* said Mar. 19. "Mr. Kodama's party, "the paper declared, "is composed, it is true, of very influential financiers and business men, who have the ability to lead Japanese public opinion to a certain degree. But they are not omnipotent. Accordingly, even if the Chinese should ask Mr. Kodama's group for a modification of Japan's foreign policies, they will be unable to secure decisive results." The *Nippo* further commented Mar. 22 that the "net result of the mission's visit to this country has apparently been nil."

## SATO OFFICIALLY AFFIRMS JAPAN'S CHINA POLICY UNCHANGED

Japan's basic policy towards China has not been changed, although the methods of realizing this policy will be modified, Foreign Minister Naotake Sato declared in the House of Representatives Mar. 20. If China disregards international justice, he added, the Japanese Government will be constrained to consider the matter "from a different angle." Japan's foreign policy, Mr. Sato replied

has been defined before he assumed office, and, consequently, there has been no change in it. "My subsequent explanations did not in any manner modify my first statement, made in the House of Peers on Mar. 8," Mr. Sato declared. "I feel," he added, "that there is absolutely no necessity for modifying or changing any parts of my first statement of policy."

Gaimusho and Army officials said Mar. 16 they had no confirmation of a report published by foreign newspapers regarding the alleged establishment of a new Nation, "Mongokuo," in northern Chahar by Prince Teh.

The Tangku Transportation, a Japanese concern jointly organized by the Hsing Chung Company, the Dairen Steam Navigation Company and the International Transportation Company, was formally inaugurated at Tientsin Mar. 20.

Construction of a harbor at Ta Chin, in the estuary of the Lan River, midway between Tangku and Chinwangtao, has been decided by the East Hopei Puppet Government, the *Kokutsu News Agency* reported Mar. 17.

The Huitung Air Company, which operates several air lines between Tientsin and Manchuria, held a reception at Nanyuan Mar. 18 for Chinese officials in Peiping. The new Douglas plane of the company, made three demonstration flights over the city and, on each of them, a number of invited guests including Gen. Sung Cheh-yuan were taken up.

The Hopei Provincial Government is reported to have decided to remove all provincial administrative organs, now in Tientsin, to Paoting. The step is taken, it is said, to boost the prosperity of the provincial capital.

## DR. KUNG AND ADMIRAL CHEN APPOINTED CORONATION ENVOYS

The National Government in a mandate issued Mar. 20 appointed Dr. H. H. Kung, Vice-President of the Executive Yuan and Minister of Finance, as China's special envoy to attend the coronation of King George VI. Admiral Chen Shao-kuan, Minister of Navy, was appointed in the same mandate as deputy envoy to the coronation. Quo Tai-chi, Chinese Ambassador to England, will be second deputy envoy ex-officio.

**Dr. H. H. Kung**

Dr. H. H. Kung has been recommended to be the recipient of the First Class Yun Hui (Cloud and Flag) Medal by the Military Affairs Commission. The decoration was granted by the National Government in a mandate Mar. 20.

Gen. Chiang Kai-shek, President of the Executive Yuan, will assume new duties soon when he becomes the Acting Minister of Finance, according to a report in *North-China Daily News*. The important portfolio will be vacated by Dr. H. H. Kung, who is leaving on April 2 aboard the s.s. *Victoria* for England. During Dr. Kung's absence, the routine work of the Ministry will be taken care of by Tsou Ling, Vice-Minister of Finance. Decision on important matters of the Ministry will, however, rest with the Generalissimo, whom Mr. Tsou will consult when so required.

## WU TE-CHEN APPOINTED KWANGTUNG CHAIRMAN, O. K. YUI TO ACT AS SHANGHAI MAYOR

The Executive Yuan, at its regular session Mar. 23, appointed Gen. Wu Te-chen, Mayor of Greater Shanghai, as a member and concurrently Chairman of the Kwangtung Provincial Government. Gen. Wu is succeeding Gen. Huang Mu-sung who died in Canton Mar. 20. O. K. Yui, Secretary-General of the City Government of Greater Shanghai, was instructed to take charge of the Mayor's affairs in Shanghai for the time being. Gen. Wu is now busy winding up his affairs at the City Government of Greater Shanghai. Interviewed by the *Central News Agency*, Gen. Wu stated that the exact date for his departure for the southern province has not yet been decided.

**Gen. Wu Te-chen**

It is reported that Gen. Chien Ta-chun, Director of the adjutant's office of the President of the Military Affairs Commission, will be appointed Mayor of Shanghai in succession to Gen. Wu.

Dr. H. H. Kung was among the first high government officials, who wired his congratulations to Gen. Wu Te-chen upon the latters' appointment as Chairman of Kwangtung.

Other appointments made by the Executive Yuan included Keh Ting-yuan, former secretary-general of the Hopei-Chahar Political Council, as counsellor of the Executive Yuan, Hsu Kung-su as director of the General Affairs Department of the Waichiaopu, succeeding Li Sheng-wu, resigned, and Hsieh Wei-lin as secretary to the Waichiaopu. The 1937 short-term $900,000 treasury bonds of Fukien provincial government was approved at the meeting.

## GENERAL HUANG MU-SUNG, CHAIRMAN OF KWANGTUNG, DIES

Gen. Huang Mu-sung, Chairman of Kwangtung, died at 7.30 p.m. Mar. 20 in the Chungshan University Hospital at Canton. Born in 1885 in Kwangtung, Gen. Huang was graduated at the Peiping Military College of which he later became principal. In 1930-32 he was sent by the Chinese Goevrnment as a delegate to the Geneva Disarmament Conferences. Returning to China he became vice-chief of the general staff. In the summer of 1933 he was appointed special pacification commissioner to Sinking and a year later he was sent as high commissioner to Tibet. Returning to Nanking the same year he assumed the post as Chairman of the Mongolian and Tibetan Affairs Commission. Following the collapse of the Southwest government in the summer of 1936 Gen. Huang was appointed Chairman of the Kwangtung Provincial Government.

**Gen. Huang Mu-sung**

The Executive Yuan decided Mar. 23 to petition the National Government to hold a public funeral for the late Gen. Huang Mu-sung.

Gen. Huang is survived by his 82-year-old mother, his wife, five sons and three daughters. Gen. Huang left a will expressing regret for not having accomplished much for Kwangtung since he took over office as chairman of the provincial government last summer. Fortunately, he said, the nation is progressing under the wise and capable leadership of Gen. Chiang Kai-shek and Kwangtung is having the guidance of Gen. Yu Han-mou, Pacification Commissioner for Kwangtung. Dealing with his own philosophy of life, Gen. Huang said he had always been holding fast to the rule of simplicity in personal life while his attitude towards public affairs might be described as seeking progress through peaceful methods. Although he had not achieved anything great, Gen. Huang said he was happy that his views on life in general and on duties in particular had kept him from making gross mistakes. Speaking on national affairs, Gen. Huang stated in his last testment that China should strive for factual unification and only in production and reconstruction could be found the main road to national salvation.

Gen. Chen Yi, chairman of Fukien, called on Gen. Chiang Kai-shek Mar. 16. It is reported that the Fukien Provincial Government will be reorganized in the near future.

## CHAIRMAN LIN SEN ARRIVES IN CANTON

Lin Sen, Chairman of the National Government, arrived at Canton Mar. 24 from Changsha by special train, which was escorted from Shaokwan, north of Canton, by a squadron of airplanes. Meeting Mr. Lin at the station was a large gathering of provincial and municipal officials, including Gen. Yu Han-mou, Pacification Commissioner of Kwangtung, Tseng Yang-fu, Mayor of Canton, Admiral Chen Chak, Commander of the Tiger Fort. Members of the Consular Corps turned out in full force. The purpose of Chairman Lin's present visit is to preside at the memorial services for the 72 revolutionary leaders killed by the Manchu imperialists in 1911.

At a meeting Mar. 18, the Kwangtung Kuomintang Headquarters decided to launch a movement for the purchase of 72 airplanes in honor of the 72 revolutionists.

The Sino-Siamese Association was formally established Mar. 21 at the International Club in Nanking. Presided over by Chen Shu-jen, Chairman of the Overseas Affairs Commission, the inaugural ceremony was attended by more than 200 Government officials and business leaders, including Hsiao Ching, representing the National Government, Wu Ting-chang, Minister of Industry and Chow Chi-kang, Vice-Chairman of the Overseas Affairs Commission. An executive and supervisory committee was elected with Chow Chi-kang, Ma Chao-chun, Ling Ping, Kao Tsung-wu, Director of the Asiatic Affairs Bureau of the Waichiaopu, Dr. Y. T. Tsur, Vice-Minister of Industry, and Ling Kang-hou, secretary-General of the Shanghai Bankers' Association, as members.

The second hearing of Liu Lu-yin, member of the C.E.C. in suspension, who was arrested in Shanghai last month and extradited to Wuchang for alleged complicity in the assassination of Gen. Yang Yung-tai, former Chairman of Hupeh, was held in camera at the Wuchang District Court Mar. 19. Mr. Liu, together with a score of other suspects, were brought in the court for questioning which lasted for three hours.

## COMMUNISTS OUTLINE PROGRAM FOR CO-OPERATION WITH KUOMINTANG

On Mar. 15, the Chinese Communist Party broadcasted the following statement in English from the Soviet regions in the Northwest which also appeared in the Soviet organ "New China". The main points of the broadcast are as follows:

"The third plenum of the Kuomintang is more outstandingly significant than all the plenums held in the past ten years. The third plenum has pointed out the trend of change in the Kuomintang's policy. This trend is shown more or less accuarately by the decisions, manifestoes and the documents of the plenum. But the resolutions and the decisions of the plenum failed to show an accurate and definite internal and external policy before the eyes of all the people. As to the questions of how to complete immediate preparation for war against Japan, this was not definitely decided. Except for setting the date of the National Assembly nothing has been clearly outlined for the protection of the people's democratic rights. As to the question of improving the people's life nothing has been said except the principal decision on national economic reconstruction. The plenum has not given the necessary answer to the people of the whole nation which they anxiously awaited.

"Of course, the most important decision is that of 'uprooting the Red danger'. Regarding this resolution we think that concerning the right or wrong of past questions and especially regarding the separation of the Kuomintang from the Communists in 1927, it is for the people to judge and for history to record. This cannot be denied by word manoevers. As to the political 'career' of the Kuomintang and how we have fought in the past ten years for the liberation of the nation and people is known and has been seen by all. This cannot be hidden by the opinion of one party or one group. We will not speak much about this point. In order to realize the common demand of the Chinese people 'cease civil war,' 'unite to struggle against Japan,' the Communist party of China is willing to begin concrete negotiations of readjusting the relations of the Kuomintang and Communist party of China on the basis of the four conditions put forth by the Third Plenary Session of the Kuomintang. In this way the aim of the two parties' co-operation for resisting the common enemy can be reached.

"As to the 'minimum measures' demanded by the plenum the Communist party of China has already put forth the following points in the circular telegram of Feb. 10: For the sake of peaceful unity and solidarity to resist the aggressor the name of the Red army can be changed into national revolutionary army under a united military command, the Soviet Government can be changed into a special administrative government of the Chinese Republic and to realize complete democracy within the area of the special administrative district.

"Regarding the question of class struggle the Communist party of China has repeatedly proclaimed that the immediate task of the party is to struggle for the unity of the nation and to realize the national united front to resist the aggressor. For this aim the Communist party has repeatedly appealed for the cessation of civil war and this accurately proves the cessation of the highest form of class struggle—revolutionary civil war.

"Furthermore the Communist party of China has proclaimed on its own initiative the cessation of confiscating the land of landlords. All this goes to prove that the Communist party of China at present is not promoting class struggle in order to concentrate its attention to the great cause of national emancipation.

"We hope that concrete negotiations can be started on this basis in order that the relations between the two parties can be properly readjusted. However, the key to the readjustment is not in the hands of the Communist party but long ago in the hands of the Kuomintang. At present the urgent task of the Kuomintang is to further the change that has already taken place in the Third Plenary Session and to take further steps forward. In the present last stage of the National Crisis we very much expect that the leading members of the Kuomintang will make a definite decision. In so doing not only of the question of the co-operation of the two parties can be easily settled but also the perspective reviving the nation can be achieved in the nearest future."

Most of the Red units, stationed in Northern Shensi, have decided to pledge their loyalty to the Central Government, but the attitude of Mao Tseh-tung, one of the Red chiefs, is, as yet, obscure. The Nanking forces, stationed in Suiyuan, Shensi, and Southern Shansi, are now taking a vigilant watch over Mao's actions, said *Shanghai Nichi-Nichi* Mar. 17.

## 800 REDS UNDER HSU HSIANG-CHIEN KILLED IN SHENSI

More than 800 communists under the Red chieftain Hsu Hsiang-chien were killed on Mar. 15 following a fierce encounter with government troops in the mountainous region near Nankou, according to military reports received at Sian Mar. 17. Five machine-guns and a large quantity of rifles were also seized.

Following close on their recent victories, government troops launched a severe attack on Sikou in northern Chinghai on Mar. 14, routing the reds after several thrusts. In the course of the encounters, reports state, more than 800 Communists were killed and five machine guns and a large number of rifles were seized.

After a five-month campaign in Kansu and Chinghai, during which more than 70 severe engagements took place, the 35,000 followers of Hsu Hsiang-chien, communist leader, have been reduced to 3,000 up till Mar. 13, according to Gens. Ma Pu-fang, and Ma Pu-ching, two divisional commanders in Chinghai.

Hsu Hsiang-chien was seriously wounded on Mar. 14 and has fled with his 500 followers into the hills near Kanchow, according to a *Central News* report from Chinghai Mar. 22.

The largest radio station operated by the communists under Hsu Hsiang-chien in Kanchow on the Chinghai-Ninghsia border was reduced to shambles by Government planes during a recent bombing, according to information reaching Hsining, Capital of Chinghai, Mar. 21. The radio station was chiefly used by the Communists to maintain wireless connexions with Soviet Russia.

*Shanghai Nichi-Nichi* reported Mar. 17 that the seven leaders of the All-China National Salvation Association, who were arrested in Shanghai last November and are now confined in prison in Soochow, will be released in the near future and sent abroad by the National Government.

## "LET'S FORGET EVERYTHING IN THE PAST" CHANG ADVISES

"To support the leader and to forget everything in the past" was the advice given to the division commanders of the Northeastern Army, who recently proceeded to Fenghua to meet Chang Hsueh-liang, according to General Wang Shih-ting, one of the division commanders, who met General Chang in Fenghua.

A sum of $900,000 will be appropriated to the Northeastern Army by the Central Government as its subsidy for the months of April and May in advance, reported *Sin Wan Pao* Mar. 19.

## "TO RECTIFY MISTAKES IS A VIRTUE," SAYS GEN. CHIANG

"No one is infalliable; but, if you err today and rectify your mistake tomorrow, what virtue can be greater than this?" This is the keynote of a lengthy address delivered by General Chiang Kai-shek at the enlarged weekly memorial service at the Central Military Academy Mar. 21. General Chiang urged the cadets to observe strict Party and military discipline. In order to succeed in life, one must persevere in one's efforts. Without the virtue of perseverance, no progress can be achieved even by a genius, General Chiang added.

Gen. Chiang Kai-shek accompanied by Madame Chiang and his secretaries, arrived at Hangchow by train from Nanking evening of Mar. 23. The Generalissimo, who has been advised by his private doctors to rest in the lakeside city, was greeted at the station by Dr. Chu Chia-hua, Chairman of the Chekiang Provincial Government.

Gen. Sun Wei-ju, Chairman of Shensi, and other members of the Provincial Government, were sworn into office on Mar. 22. Gen. Ku Chu-tung, Director of the Generalissimo's Provisional Headquarters at Sian, officiated at the oath-taking ceremonies.

At the request of Lieut.-General Sun Wei-ju, a subsidy of $600,000 has been remitted by Dr. H. H. Kung, Minister of Finance, to the Shensi Provincial Department of Finance.

## SZECHWAN RUMOURS SCOUTED, JAPANESE SAID RESPONSIBLE FOR THEIR SPREAD

Disturbing rumours concerning Szechwan were scouted by Teng Han-hsiang, Secretary-General of the Szechwan Provincial Government, who arrived in Nanking from Chengtu Mar. 18 by air to report to Gen. Chiang Kai-shek on the latest conditions of his province. "Everything in Szechwan is now peaceful and quiet, and all rumours to the contrary are absolutely unfounded," declared Mr. Teng. Reports of a misunderstanding having arisen between Szechwan provincial armies and the Central troops stationed around Chungking were categorically denied by Mr. Teng, who warned the press not to give credence to such fabricated rumours. Mr. Teng was accompanied in his trip by Gen. Ho Kuo-kwang, Director of the Generalissimo's Provisional Headquarters in Chungking, and Lu Tso-fu, Reconstruction Commissioner of Szechwan.

That current rumors in Szechuan were disseminated by the Japanese Consulate General in Chungking was confirmed by Teng Han-hsiang, Szechuan envoy, in an interview with the press at Nanking Mar. 19, according to *Sin Wan Pao*.

A bomb, believed to have been secretly planted by agents *provocateurs* in an endeavor to worsen relationships between the Central Government and the provincial authorities of Szechwan, is reported to have been discovered in the provisional headquarters of the Military Affairs Commission in Chungking, reported *Shanghai Mainichi* Mar. 20.

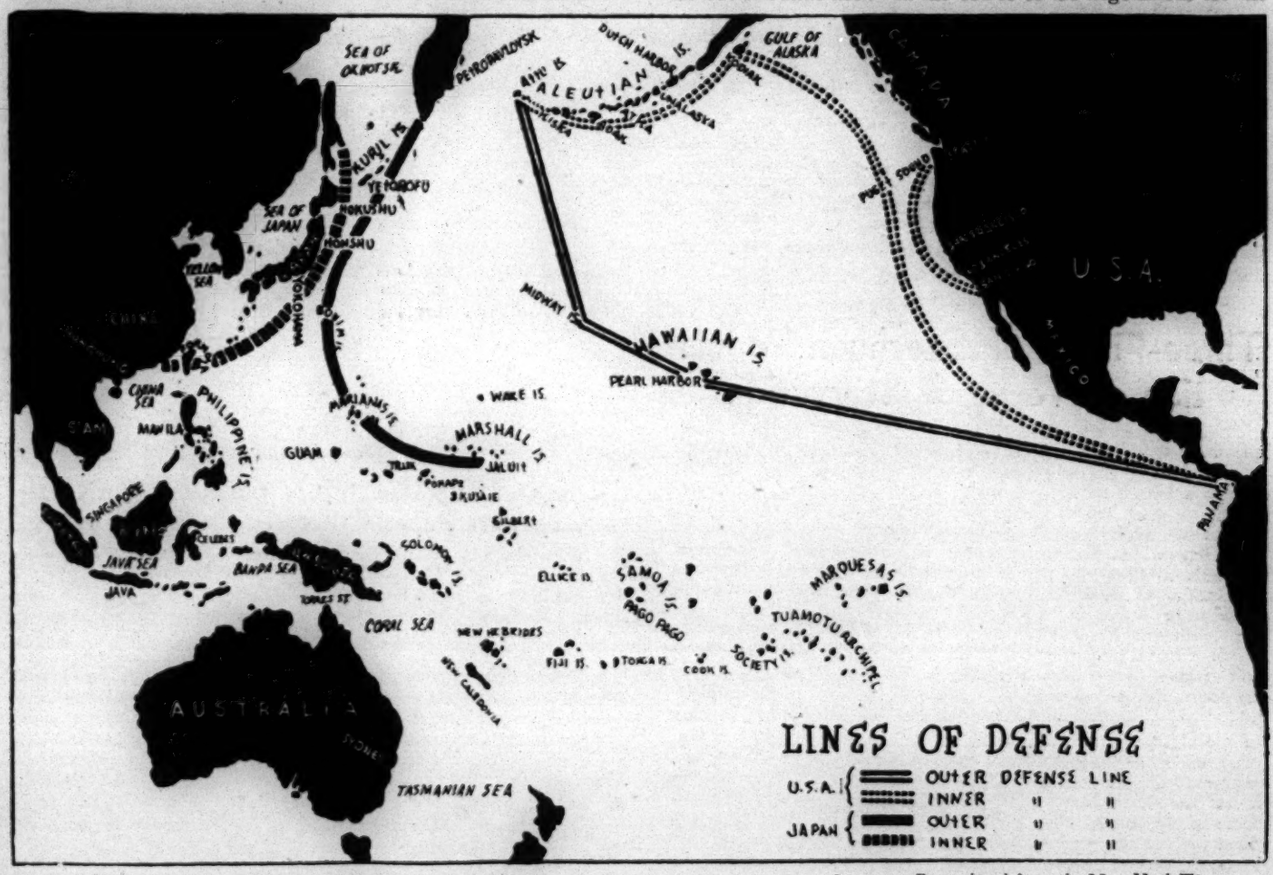
Much significance is being attached to the impending arrival in Chengtu of General Liu Wen-hui, Chairman of Sikong. General

(*Continued on page* 144)

# President Roosevelt May Call Disarmament Conference—Japan Declines to Be Curbed on 14-Inch Guns

The *New York Times* Mar. 14 stated that President Roosevelt is seeking an opportunity to call a disarmament conference. In this connection it was stated that the President would not avail himself of the diplomatic representatives at present in the various capitals, but instead would send special envoys to ascertan the intentions of the various Powers. The diffculty appears to be that the very circumstances necessitating disarmament iare likely to defeat the aims of any disarmament conference being contemplated.

Consequently, unless he has more than the usual amount of schemes to be worked out, President Roosevelt would not be able to proposed a disarmament conference. Especially at a time when advocates of the isolation policy, the policy of not interfering in the affairs of Europe, are wielding much influence, he must be prepared to face internal opposition. It appears that these difficulties are making President Roosevelt hesitate, but it is seen from the fact that he has been striving to achieve disarmament for some time that he will propose the calling of a disarmament conference as soon as sees a fair chance of success.




—*Reproduced from the New York Times*

**Map of Pacific Showing the Lines of Defense of the United States and Japan**

### Japan Will Not Limit Herself to 14-Inch Gun

Decision not to adhere to the new London naval treaty, which stipulates a limitation of the caliber of guns on capital ships to 14 inches, was reached at a joint conference of the Gaimusho and Navy officials in Tokyo Mar. 23. This decision, Tokyo will inform the British Government, is in consonance with Japan's proposals for drastic qualitative and quantitative disarmament made at the London conference last year. Officials of the Tokyo Navy Ministry expressed the opinion that Japan continues to insist on the abolition of all offensive weapons, including capital ships and aircraft carriers. The question of gun calibre, they said, forms a very small part of the broad issue of disarmament and is, in itself, unimportant.

Meanwhile, Tokyo's decision again raised the problem of the Soviet Pacific fleet. In the course of the negotiations for the conclusion of an Anglo-Russian bilateral pact, within the framework of the London Naval Treaty of 1936, Britain consented to grant the USSR the benefit of safeguard clauses, whereby the Soviets may exceed Treaty limits in the event of Japan failing to respect these limits. Yet, in such a case, Moscow would be compelled to notify Britain on the subject immediately.

### London "Times" Says No Nation Has Anything to Gain by Qualitative Naval Competition

The *London Times* of Mar. 18 stated that no Power has anything to gain by the resumption of qualitative naval competition, in which the sky is the only limit. It would be prevented, if the Japanese Government should undertake to accept the 14-inch gun as the maximum calibare before April 1, when the present agreement expires. If the opportunity is lost and the world reverts to an unrestricted battle of the building yards, it is quite clear where the responsibity will lie, the *Times* said. This comment was based in a telegram from Tokyo which reported that the Japanese Government had decided to reject 14 inches as the maximum calibre of guns.

A *Havas* telegram from London, quoting British admiralty quarters on the same date, stated that Japan's probable refusal to limit her battleship armaments to 14-inch guns would not involve any changes in Britain's naval building program for the years 1937 and 1938. London naval technicians pointed out that the use of 14-inch guns on 35,000-ton battleships affords a saving in weight, which can be usefully utilized in providing vessels with heavier armor plates. The same experts add that 16-inch guns, to which Japan, reportedly, wishes to resort, could only be placed on battleships gauging over 45,000 tons. These are not being planned at present, but the British admiralty might include the building of such units in the 1938-39 program in the event of Japan deciding to build ships exceeding 35,000 tons.

### "Asahi" Says 14-Inch Gun Is Only a Side Issue

Commenting on the British reaction to the Japanese refusal to limit the caliber of guns on capital ships to 14 inches, the Tokyo *Asahi* Mar. 20 said that the question is "too trivial a side-issue to demand serious consideration." Qualitative limitation of armaments unaccompanied by quantiative limitation, is far away from real disarmament, the daily added.

### Japan Not Enthusiastic Regarding World Peace Conference

The *Tokyo Yomiuri* Mar. 17 stated that Japan is quite devoid of enthusiasm for a world peace conference. Japan thinks that so long as there are rivalry and conflict between the big group composed of Germany, Italy and Japan, which is dissatisfied with the *status quo*, and the other composed of Britain, the United States and France, which is anxious to maintain the *status quo*, no matter how many treaties should be concluded and how much new peace structures should be completed, it would be impossible to eliminate the prevailing world unrest.

### U. S. Navy Appropriation Bill Totals $522,847,808

The U.S. Senate Appropriations Committee Mar. 18 favorably reported the $522,847,808 Navy Appropriation Bill, which represents a decrease of $3,707,620 from the appropriation previously voted by the House of Representatives. The Senate Committee eliminated an appropriation of $5,000,000 for the purchase of strategic minerals to permit accumulation by the Navy for possible emergencies. The chief addition to the House bill was an item of $725,000 for the construction of naval barracks and improvements to the air station at San Diego. The Senate committee, however, did not change the vital features of the bill, providing for a notable expansion of naval and air force strength.

### U. S. Army to Establish North-West Base at Tacoma

Establishment of a new "northwest base" of the United States Army was announced Mar. 15, by Gen. Malin Craig, Chief of Staff. The base, located at Tacoma, Wash., will be the first to be established under the Wilcox Act providing for concentration of defence activities in the northwest, including Alaska. The Tacoma base will include an airport of 960 acres plus 350 acres which the government will purchase.

### Naval Committee of French Chamber Lauds London Naval Pact

A brief historical survey of postwar naval negotiations was made in a printed report issued in Paris Mar. 20 by the Naval Committee of the French Chamber. The report reviews the new situation, arising from the London Naval Pact of 1936, states the pact fully acknowledged France's imperial needs which were completely ignored by the Washington Treaty. The greatest success of the London Treaty, the Committee says, is that no absolute naval hierarchy is being admitted any longer while compulsory advance notification on naval constructions is likely to facilitate moral disarmament. Further, the accord marks a rapprochement among the three great democracies, signatories of the treaty, Great Britain, France and the United States. In conclusion the document expresses regrets over Italy's and Japan's failure to adhere to the pact.

## Three-Fifths of Szechuen Population on Verge of Starvation

Further reports of the famine in Szechuen received during the week show that this province, famous as China's rice-granary is experiencing the worst famine in its history. The famine is due to a long-continuing drought, which was broken to a certain extent by rains which fell in the Chengtu and Chungking areas end of last week.

General Liu Hsiang, chairman of the provincial government, has ordered all troops in the country to turn over one day's pay for the relief fund. Szechuen officials have flown to Nanking to arrange relief in the capital. General Liu Hsiang has asked the Kuomintang for a monthly grant of $2,000,000. Some 1,000,000 piculs of rice is being sent by the Central Farm Bureau to Chungking and officials of the bureau have gone up-river to arrange for the transportation and storage.

Conditions are worst in the northern and central sections of the province, especially acute in the northern hsiens that were occupied by the Communists for more than a year. Several thousand refugees have crowded into Chungking and in that and other cities it has been forbidden to kill chickens, cattle, pigs or sheep. In some of the affected regions the wells, creeks and rice-paddies have dried up. While some families have moved to more favored localities, others, to avoid starvation, have become beggars or have turned to banditry.

The *Shanghai Evening Post* published reports stating that thousands have died of starvation in Szechuen, but that these dead are but the first of hundreds of thousands who will die unless relief comes immediately. Already conditions similar to those which formerly existed in famine-ridden Shansi and Kansu exist in Szechuen, where the people are rapidly stripping the land barren of anything green. Some have been reduced to eating clay.

At least three-fifths of the Szechuen populace are on the verge of starvation as the most serious famine of the century is spreading in the province, according to advices from Chengtu. A recent survey of the Szechuen Famine Relief Commission stated that 30,000,000 people in an area of 36,600,000 square li, out of the total 41,500,000 square li of the province, are now affected. It is stated that the famine has been so serious that barks and grass are the only succor of many sufferers. The Szechuen Provincial Government is taking steps to relieve the sufferings of the people. A loan of $1,600,000 is being sought of the bankers for the purchase of 120,000 piculs of rice from Wuhu for free distribution.

### $400,000 Requested for Relief Work in Honan Province This Spring

Gen. Chu Ching-lan, Chairman of the National Famine Relief Commission, who arrived in Kaifeng Mar. 18 from Shanghai with several other philanthropists to assist in the relief work in Honan province, requested Dr. H. H. Kung, Minister of Finance, to appropriate $400,000 for relief work this spring. Gen. Chu also disclosed that the Honan Provincial Government has thus far allotted $1,100,000 for relief work in the province.

A pathetic account of the terrible plight of the refugees in Honan Province was given in a report submitted by General Chu Ching-lan at Kaifeng Mar. 22. "In Tengfen, where the famine has become very serious, the majority of the total populations, about 230,000 people, has nothing to eat. Having eaten up all the roots and bark of the trees, the refugees, driven by hunger, have to devour such poisonous stuffs, as lime, to satisfy their hunger, later dying from stomach disease. Western Honan can be best likened to a hell on earth," Mr. Chu's report said.

### Former Red Strongholds to Be Colony for Famine Emigrants

As a result of the serious famine now raging in thirty districts in Honan the Honan Provincial Government has decided to migrate thousands of refugees to Kiangsi. Juikin and Kwanchang, formerly strongholds of the Communists in Kiangsi, have been chosen as the new colony for the famine sufferers. The two erstwhile Red-infested districts were chosen for the migration because the population in these parts is still scanty, following the general exodus in 1932 when the Red terror was at its height.

### 431,000 Famine Refugees in North Shensi

The Central Government forces entered Lanchow, capital of Kansu, Mar. 19, for the first time since the Sian Coup on Dec. 12 last year. Meantime, the famine in Northern Shensi has assumed serious proportions. The total number of refugees is estimated at more than 431,000.

According to Fu Wen, special administrate of the first district of Shensi, there are 431,000 famine-stricken people in his district.

### John Baker Suggests Nation-Wide "Community Fund"

China must ultimately have some sort of "community fund" to meet emergencies on a nation-wide scale, in the view of Dr. John E. Baker, Secretary-General of the China International Famine Relief Commission, who spoke before the Nanking Rotary Club Mar. 18. Charity subscriptions, according to Dr. Baker, usually come in behind schedule as past experience showed. The money is often collected after the emergency is over. In order that relief may be provided when it is most needed, a sizeable "community fund" must be built up beforehand.

## Copper Smugglers Injure Customs Officers—Japanese Paper Criticizes Own Nationals

In connection with the present wave of smuggling of copper coins from China to Japan, an ugly incident occurred last week at the Wayside Wharf in which seven Chinese customs officers were badly injured by Japanese coin smugglers. Pointing out that this was the same wharf as that at which the Japanese Delegation landed, the *Shanghai Mainichi* in an editorial Mar. 23 urged Japanese residents in China to pay more attention to their own behavior. The *Mainichi* made the point that it was not only the two governments that figured in economic cooperation; the daily life of the Japanese nationals in China was also an important element.

The Chinese newspapers also commented on the affray in bitter terms.

### Copper Coins Also Smuggled Out of South China

A total of 1,000,000 coppers has been smuggled to Japan from Chaochow alone, a recent message from Swatow stated.

## Ministry of Education Report Shows Figures of School Attendance in Various Provinces

A report was issued by the Ministry of Education Mar. 17, giving details of the average number of Chinese children for whom any educational facilities whatever can be provided. The number of children per thousand of population receiving education in the various provinces is as follows:—Shantung, 35; Hopei, 42; Shansi, 65; Hunan, 31; Chekiang, 36; Honan, 26; Kwangtung, 39; Kiangsu, 25; Kwangsi, 61; Shensi, 26; Szechwan, 15; Anhwei, 10; Kiangsi, 13; Yunnan, 45; Fukien, 26; Hupeh, 7; Chahar, 34; Kweichow, 11; Kansu, 17; Suiyuan, 15; Ninghsia, 22; Tsinghai, 27; Sikong, 2; Tibet, 2.

### Dr. H. H. Kung Calls Minghsien School Board of Directors for Meet in Nanking

Dr. H. H. Kung, Minister of Finance and concurrently principal of the Minghsien School at Taiku, Shansi, the birthplace of Dr. Kung, Mar. 16 called a meeting of the board of directors of the school in Nanking to discuss measures for the improvement of the institution, and for the promotion of universal education. The Minghsien School, situated on the eastern outskirts of the Taiku City Wall, was established by Dr. Kung more than 20 years ago.

# Co-operation and Its Many Factors

BY T. S. YOUNG

WE have been frequently told that in family life, co-operation between husband and wife is a *sine qua non* to domestic happiness, that in the industrial world, co-operation between capital and labor brings prosperity to trade and commerce, and that in international relations, co-operation between nations is the only way "to attain world prosperity and international peace." Thus co-operation seems to have the efficacy of promoting happiness and peace between sexes, classes and nations. Possibly because of this efficacy, every one has faith in co-operation and becomes talkative about the spirit of co-operation, the virtue of co-operation and the good results of co-operation. Even we the Chinese—who, until recently, as husbands, posed as masters towards our wives; as captains of industry, looked down upon our manual workers; and as a people, tried to close our doors against the foreign "barbarians"—have also acquired the habit of engaging in big talks about co-operation.

Co-operation is undoubtedly a good thing; but, as many other good things, it looms big and beautiful before our eyes, but can not be caught by our hands. It represents a crystallization of real friendship. In our daily life, we know fully well that only persons who entertain genuine friendship towards each other can get together to embark on some joint adventure. It is preposterous to expect that a person can be willing to form a partnership with his enemy. Co-operation between a person and his enemy, if it can ever be achieved, is not a geniune co-operation but a mockery. Thus when a husband and his wife lead a dog and cat life, it is decidedly too late to talk about co-operation between them. When capital and labor are at loggerheads, they can not be expected to co-operate together. And when one nation is looked upon as a bitter enemy of the other, the former can not inveigle the latter to work for their "mutual prosperity through the means of mutual existence."

Co-operation also represents a great measure of self-denial, tolerance and a readiness to conciliate on the part of all the co-operators. In any co-operative enterprise, each co-operator must forego his selfishness for the general well-being of all, to modify his stand for accommodating the principles of other co-operators, and to be always conciliative in his attitude towards the others. Should one be selfish in the extreme, persistent in carrying out his own prinicples and policies and non-conciliatory in his attitude, he is not a person who can co-operate with others. And nobody wishes to co-operate with him. Thus a husband can not co-operate with his wife, if he should continue to bully and badger her, and overrule and countermand everything she says. Capital and labor can not shake their hands, if each of them should uncompromisingly stick to its principles as to the working hours and minimum wages. And two nations can not work harmoniously together, if one should choose to have its own way and disregard totally the aspirations of the other.

### Co-operation Not a One-Sided Proposition

Besides, co-operation is not an one-sided proposition, but an outcome of mutual willingness. We can not force co-operation upon our friends, when they do not believe in the proposition of co-operation. Equally, our friends can not induce us to co-operate with them, when we are not disposed to accept their offer. Only when all persons concerned can express their willingness to co-operate, then a genuine co-operation can be achieved. Thus a husband can not co-operate with his wife, if she openly spurns his offer. Capital can not join hands with labor, if the latter does not believe in co-operation. And two nations can not form a close co-operation, if the one does not desire to co-operate with the other.

Co-operation is also a give-and-take proposition. When a person assists his neighbor in developing uncultivated land, it is fair and just that he should receive a share of the returns as a recompense for his labor or capital. But when he becomes so unscrupulous as to pocket all the returns himself or even claim the ownership of the land and leave nothing to its real owner but an empty name, such co-operation becomes aggression under another name. We have found many instance of such a farm of co-operation in this modern world. At the beginning, a person, in the good name of co-operation, has offered his assistance to his neighbor in developing a piece of property; after a lapse of time, he has claimed a special interest in the property; and finally he has annexed it altogether by force under the very nose of all other neighbors. Thus the co-operation between a husband and his wife will become a form of aggression, if the former, under the pretext of co-operation, should deprive the latter of all her privileges and rights. The co-operation between capital and labor will become a form of aggression, if the first should utilize the latter as a tool for self-aggrandizement. And the co-operation between two nations will also become a form of aggression, if the one should, under the cloak of co-operation, build up a political or economic hegemony over the domain of the other.

Moreover, genuine co-operation can only be formed, when all the co-operators do not entertain any suspicion towards each other. Even two persons can not form a close co-operation, if one should always suspect the motives, purposes and conduct of the other. Therefore only persons who have friendship of long standing and know each other well can work together harmoniously without hitch. Doubtless, no one will accept the offer of co-operation from a perfect stranger. Equally, no one will work together with a person who has been known as being evil-minded, avaricious, selfish and aggressive. Even between two neighbors, they can not work together for some common objective, if the one, by his past experience, has suspicion over the motives of the other. Thus a wife can not co-operate with her husband, if she suspects his professions of love and faithfulness. Labor can not co-operate with capital, if the former has the suspicion of being exploited by the latter. And two nations can not co-operate with each other, if the one has reasons to suspect the gestures of the other.

Again, co-operation is not possible, unless the co-operators can leave off their masks and be sincere towards each other. Persons wearing masks may co-operate with each other at the impulse of the moment, but such co-operation can only last so long as their real faces are not revealed. Sincerity is something insubstantial, and it must be proved with evidences. No eloquence and empty talks can establish one's sincerity. We may talk to a small child into believing of any impossible things, but we can not make a full grown man believe a false truth by merely talking, unless he has the brain of a small child. A robber may swear to go straight, but nobody will believe the sincerity of his avowal, unless he can offer evidences to prove his sincerity. Thus a wife will not believe in the talks of her husband, if she, by her past experience, has learned to doubt their sincerity. Labor will not accept the words of capital at their face value, if the sincerity of the latter's words has always been a big question mark. And a nation can not make another believe its declarations, if it has been known as an insincere talker.

### Co-operation and Reciprocity Necessary

Finally, co-operation must be based on the principle of equality and reciprocity. When two persons come to co-operate with each other, each must accept the other as an equal and forget any difference in their social or financial standing, in their physical prowess or in their mental capacity. Should one retain the superiority-complex and look upon the other as an inferior, co-operation between them can never come into being. A millionaire can co-operate with a poor man, only if he can descend from his lofty position and accept the latter as an equal. And a giant can co-operate with a pigmy, only if he can disarm himself and accept the latter as an equal. What is true as between two persons is also true as between two nations. If one nation persists in calling the other "a disorganized state" or "a geographical expression," any attempt at co-operation is bound to fail.

The above are the many factors which must be present in any co-operation between two persons or between two nations. But it must be added that co-operation between two nations is far more difficult to achieve than that between two persons; for in the latter case, the matter concerns only two persons and nobody else, while in the former case, the peoples of both nations will be involved. Therefore if the leaders of two nations profess friendship towards each other and talk about co-operation, this talk will lead to nowhere, should the people of one nation entertain an enmity towards those of the other. So long as this enmity remains, all efforts to prompt their co-operation can not bear any fruit. With this in view, we can not help finding some humor in listening to the talks of co-operation made by our good neighbor.

Our neighbor may harp skilfully on the favorite string of co-operation, but its sweet music can not in any way arouse our feelings. We are not insensible people, but we learn enough from our past experience to guard our sensibility. We realize that co-operation between a ferocious tiger and a meek lamb does not sound logical, and that unless the former can transform itself into the latter, the latter will be bound to become the prey of the former. We have never heard of a case in which a tiger can be transformed into a lamb, and therefore we do not believe in such kind of co-operation. Let our neighbor do less talk but give us some evidence of his transformation, before we can turn our ears to listen to his sweet words.

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## London Court Brushes Aside Objection to Divorce of Mrs. Wallis Simpson

The question of the genuineness of the divorce granted Mrs. Wallis Simpson from her husband last October at Ipswich was settled in the Divorce Court in London Mar. 19 when the hearing of the application by an "intervenor" named Stephenson was to have taken place. When the case came into Court, however, Mr. Stephenson said he had not been able to secure any evidence which would support his petition and therefore he had decided to withdraw it. The Judge in giving his decision said he had ordered the King's Proctor to investigate the matter so that there should be no suspicion in the public mind that this case was being treated differently from any other. The Court ordered the appearance of the intervenor to be struck out.

# Japanese and Germans—Brothers

BY NATHANIEL PEFFER

(*New York Times Magazine*)

Japan may be yellow and Oriental and Germany white and European, yet there is more to bind them than a transitory combination of circumstances in world politics, more than their common antagonism to Soviet Russia. Ever since Europeans began going to the Far East in numbers the points of resemblance between Japan and Germany have been a matter of comment. "The Japanese are the Prussians of the Far East," has been a by-word of the Far Eastern ports.

The points of difference outnumber the similarities, of course. Racially and culturally the contrast between the countries is immeasurable. One is Christian and the other Buddhist, one predominantly industrial and the other predominantly agrarian.

In Germany the traditions of nineteenth-century liberalism had taken root, whereas in Japan they are still exotic. Germany is incomparably more efficient and its government has been incomparably freer from corruption. In Germany there are not the extremes of poverty and wealth to be found in Japan. Most of all, Germany has been in the current of modern thought for centuries, while Japan was pent up in a somnolent medievalism until seventy years ago.

Japan is still mainly a country of villages, in which the peasant stands ankle-deep in the rice paddies cultivating by hand as his ancestors did; and he is not altogether emancipated from fear of the evil spirits. Germany is a country of industrial cities. Even the village, though inhabited by peasants, is a village in an urbanized civilization. Only the most backward differ essentially from the mass of the urban population.

But the click of heels and clank of swords is the highest summons to both Germany and Japan. The military uniform abounds in both. Clerks in Japanese administrative offices wear uniforms and until a few years ago Japanese teachers in Korean primary schools came to their desks before 8-year-olds with swords dangling.

In Japan, as in Germany, the staccato bark of the sergeant has permeated the whole of civilian life. German university students slash each other with sabers to prove their manliness, Japanese students hurl each other over their shoulders in wrestling matches—in Japan even children in elementary school playgrounds are taught to pose with fierce martial grimaces in their scufflings.

The worship of the State which distinguishes Germany from all other European nations—comes equally naturally to the Japanese. Both nations are definitely set apart from the rest of the world by their concept of the State. Both in Czarist Russia and Soviet Russia the power of the State has been something imposed and maintained by force. In Germany and Japan it seems to spring naturally out of a national philosophy or a national instinct.

To no other race or nation does obedience come less irksomely than to the Japanese. Only the Germans can be compared with them, but significantly the Germans can. The famous German "verboten" has long been a subject of derision among other Europeans, but few Germans have been able to understand the reason for derision or to perceive anything derogatory or abnormal in the omnipresent prohibition. Neither could the Japanese. In Japan "verboten" does not have to be formally prescribed. It is implicit in the scheme of things. Obedience is taken for granted, not exacted.

Akin to deification of the State is the cult of the national soul. No other European talks so much or so seriously about his collective soul as the German.

The Japanese do so, too. Their more high-flown writings abound in purple patches on the mysterious and unique essence with which the Japanese are anointed. A recent pronouncement of the Nippon Cultural Federation proclaims that "at the present time Japan may be taken as the sole country in the world which can behave naturally in accordance with the Universal Law or Way."

Most easily recognized of all the resemblances is the militarism that characterizes both Germany and Japan. In both countries the warrior caste is exalted in a way that all Western Europeans put behind themselves centuries ago, as have a good many Asiatic peoples. The army is preponderant in both countries for the good reason that in the eyes of both peoples the soldier's activity presents man at his noblest and the professional soldier is therefore of a superior breed.

An instinctive attraction made the Japanese choose Germany as the country to which to send the prospective leaders of their modern army when they began their reconstruction after 1868. And Germany may be called the Japanese Army's spiritual home. Officially Japan was one of the Allies between 1914 and 1918, and the army was unflagging in its loyalty to the country's policies. But the majority of its leaders never concealed their confidence that Germany would win and many of them said more or less openly that Japan was backing the wrong horse.

In Japan the police not only propose but dispose. Their paternal eye is on the most trivial concerns of daily life. On serious activities, such as the press and public assembly, it is ever-vigilant and all-seeing. What is considered regimentation in America would be anarchy in Japan. What is now called totalitarianism is of the stuff of life there.

There may be another and simpler psychological explanation for the kinship between Japan and Germany. Both are newly arrived and still unsure of themselves and their position. Both are hypersensitive to what is said and thought of them by others, and both are touchy about a proper recognition of their due in the world. Both are overassertive in the council of nations because they are not yet sure of being accepted. Inferiority complex, the new psychology calls it.

In the more tangible sphere of world relations it is easier to bracket Japan and Germany together. There has been an almost perfect parallelism in both their attitude and actions in the last few years. Each has laid down the doctrine that national necessity (of which it is sole judge) overrides treaties, contracts and commitments. Neither concedes any obligation at international law.

Both have openly avowed that they are acting in their own interest despite previous pledges, because they do not consider pledges binding when national interest is at stake. Both have said that force is the highest law, a position that comes naturally to them in light of the fundamental premises common to both.

They have a common aim in world politics in that a drive for expansion works with irresistible force in each. Neither is self-sufficient in resources and both are dependent on external markets for their manufactured products. Both entered the race for empire late and came to fullness of power only after the most valuable portions of the globe had been appropriated. They are in the position of challengers and must take the aggressive. They can advance only by displacing others.

The logic of the situation is further accentuated by the fact that the ambition of each is obstructed by Soviet Russia. Japan's expansionist drive is inevitably westward on the Asiatic continent. All other avenues are closed.

Much the same argument holds for Germany. As a matter of prestige, Germany may demand a restoration of its colonies in Africa, but for its vital needs it wants to expand eastward and southward on its own continent. Eastward, however, Soviet Russia stands squarely in the way, a military obstruction and, still more, an ideological obstruction. And until Germany changes her ambitions the elimination of Soviet Russia is an indispensable condition to success.

Whether there is a formal alliance between Germany and Japan, then, is relatively unimportant. The whole disposition of international forces throws them together. Whether in diplomacy or at arms, they must act together. The terms of an agreement may be set down in black and white or they may only have been arrived at in informal but conclusive "conversations." Whichever it may be, there are few who still doubt that if one moves the other will follow.

World politics has made bed-fellows of Japan and Germany, and stranger bed-fellows have lain together in the history of world politics. If affinity is too strong a word, there is at least a kinship between them that transcends diplomacy and politics.

## J. P. McVoy Visits Japan to Prepare "New Earth" Scenario

The Tokyo *Hochi* Mar. 15 stated that, encouraged by the widespread favorable reception of Dr. Franck's "New Earth," the Japanese Foreign Office and the International Cinematographic Association are now planning to produce a new "New Earth" with Japanese scenery and manners and customs as background, taking advantage of the opportunity offered by the fact that J. P. McVoy, American novelist and scenario writer for the Paramount, is at present in Japan, where he has been inspecting primary schools and other educational institutions in Tokyo with the intention of contributing impressions of Japan to the *Saturday Evening Post*. The Information Bureau of the Foreign Office and the International Cinematographic Association have seen in this a chance to have the American author write a good scenario for an official version of the "New Earth" on Japanese material. If Mr. McVoy consents to write the scenario, the authorities will cooperate with an American producer to turn out an interpretation of Japan and the Japanese to their own liking, the *Hochi* said.

## Shanghai City Administration Meet to Be Held on Tenth Anniversary

A conference on a nationwide scale for the discussion of city administration will be held in connection with the celebration of the 10th anniversary of the establishment of the City Government of Greater Shanghai, which falls on July 7. The conference will observe an elaborate program on the occasion of the celebration, which will be participated in by representatives of various provinces and municipalities and experts on city administration.

# Japan's Economic and Cultural Drive in China

BY YEN-YING LU (盧延英)

SPEAKING before the Budget Committee of the Lower House on February 21, General Hayashi, the Japanese Premier, announced a decision made by the Japanese Government to "concentrate on the promotion of Sino-Japanese cultural relations." This decision is, for aught we know, of great significance in that it is, as the Premier asserted, "based on the fact that Japan in no circumstances seeks to acquire any portion of Chinese territory." It has been really embarrassing enough to solve the tangle of all the diplomatic and economic issues pending between China and Japan, and yet the Japanese Government must now put up the cultural touch for the achievement of Sino-Japanese harmony. The world has seen much of Japan's diplomatic tactics vis-a-vis China, coupled with a big, threatening military angle. But little attention has been paid to her cultural advances to China. Stirring and imposing events such as Japanese garrison increases in North China and rampant smuggling by Japanese ronins have so intrigued people that they seem to have taken little notice of the comparatively quiet, but none the less insidious and dangerous, exploration of North China by Japanese industrialists, business men, educationalists, and newspaper reporters.

The cultural drive, as is now being launched by Japan in North China, is of course motivated by her desire for political domination over this region. As a principle of policy, it is engineered by, and gets support from, the so-called cultural diplomacy, which has been a regular and important function of the Tokyo Foreign Office. Indeed, next to Soviet Russia, no country has been pursuing this sort of diplomacy in recent years so persistently and energetically as Japan. To enhance her national prestige and to make her people and things better understood abroad, the propagation of Japanese culture in foreign countries has been given the closest attention by the Japanese Government in its conduct of diplomatic relations. It is remarkably different from what is done by other countries; Japan's cultural publicity work abroad is not left to be the concern of the Japanese people alone; the Japanese Government comes keenly to their aid with planning and money, and whenever necessary, with "power diplomacy."

The culture of a nation is inextricably bound up with her economic conditions. The new cultural outlook of Japan is the outcome of her westernization approaching the saturation point. Her culture can assert itself to find new outlets, now that her military power and economic productivity have filled the channels toward national greatness. Hence Japan has taken an engrossing interest in propagating her culture to all the corners of the earth. As may be expected, Europe and America have been the ideal fields for Japan's expansion along this line, just to make up for what she has received for so long. But she has in recent years shifted her concentration on Asia in so far as the reorientation of her foreign policy has directed. This has been the case ever since the Great War, when Japan was touched to the quick by the rekindling of nationalism, which was soon to burst into flames on her Manchurian invasion. Under this stimulus, Japan has come out boldly with an unmistakable reversion of interest to her own sphere, followed by sweeping and overbearing movements on the East Asiatic mainland.

### The Specious Logic of "Pan-Asianism"

Japan is trying, through foul or fair means, to realize her ambitions with the specious logic of the so-called "Pan-Asianism." But unlike its contemporary, "Pan-Americanism," this doctrine might not work out as it should. Theoretically speaking, it ought to seek to achieve racial solidarity, political interdependence and economic cooperation among the Asiatic nations. A stable foundation for these should be laid through the cultivation of closer bonds of common interests among these nations by means of free exchange of their cultures. But while playing up these fair signals, Japan is but keeping her weather-eyes open to bring her own ship home. As might be feared, what Pan-Asianism might accomplish would be this: International security in Asia might be turned into a Japanese hegemony in which Japan would hold the overlordship with self-imposed duties of guarding the peace of Asia and interfering in the domestic affairs of her sister nations. Then the exchange of cultures would assume a one-sided obligation for her weaker neighbors, who would be coerced into accepting Japanese ideas and institutions. Thus this subtle doctrine could be intended to conceal the designs that one nation might work upon another as her big-stick brother.

Japan owes her national origin to China, to which country she is also indebted in great measure for the main stock of her culture. From the middle of the 4th century A.D. onwards, Chinese culture and learning were systematically introduced into Japan through Korea. Even down to the Ming dynasty, there had been continuous cultural transmissions from China to the island empire. With the turn of the twentieth century, however, the phenomenal rise of Japan as a world power, coeval with her rapid westernization, modified considerably the early cultural situation between the two countries. Japan has become rather a teacher of Western civilization to China than a pupil of Chinese culture. But nevertheless the two countries in modern times have been drawn closer and closer by reason of their strong cultural ties spontaneously formed out of racial affinity, linguistic similarity and geographical nearness. The large Chinese population in Japan, leading those of all the other countries with 22,741, forms not only a valuable asset for the economic development of Japan but a most effective link in cementing Sino-Japanese cultural relations. Even in 1934-1935, when the diplomatic situation between the two countries was at high tension, Chinese students studying in Japan increased to 347, numbering by far the largest of all those in other countries, with the U.S.A. standing second with only 254. Although Chinese students in Japan are in quest of Western science and technique through Japanese mediums, this constant academic pilgrimage has kept up the cultural exchange between China and Japan in art and literature.

But a national prestige gained largely through military power has inspired in Japan a superiority complex regarding her own culture. Just as trade follows the flag, so culture, as Japan conceives it, must also go out to conquest in the wake of national fighting prowess. Japan's genius for imitation and great aptitude for trade and diplomacy have of course contributed in no small measure to the spread of her culture into other countries. But the self-confidence as shown lately by Japan in her cultural mission has been not only influenced by Western nationalism but resulted directly from the fact that China has been for a long time in such a backward position as to make it impossible to assert herself. Hence we see to-day the grim irony—Japan, erstwhile the pupil of Chinese civilization, has now become the teacher, and takes a pride in proclaiming to the world that she will offer her own cultural contributions to China and other countries.

A fine opportunity has also occurred to favor Japan's intentions, when China, under the stimulus of nationalism, has also been seized with self-determination to throw her full weight into Asian affairs, coupled with a revival of interest in her own culture. In the slogan, "Asia for the Asiatics," as might be expected, China and Japan may find their community of interests as well as a common ground on which both may stand or fall together. But this also affords Japan a nice handle to extend to China a handshake with intent to force on her Japanese culture.

Japan has followed up with energetic steps the windfall chance she came by for her economic and cultural expansion in her easy occupation of China's Three Eastern Provinces. This military adventure brought Japan one long stride forward on her drive in Eastern Asia and means much more than just a triumphant march for Japanese soldiers. It has opened wide the way for the various agents of Japanese civilization to explore the innermost parts of China. It is quite natural that through Manchuria as her northern gateway Japan will push her aggression southward into North China, which has already been bearing its brunt. As matters stand at present, this Chinese territory has not only to put up with the high-handed acts of the Japanese military, but also to writhe under Japanese economic exploitation, while being forced to swallow the pills of Japanese culture.

### Japan's Inordinate Desire to Get Raw Materials

If economic reasons can account for a nation's sharp and unscrupulous dealings with another, then Japan's policy of expansion in Asia may be said to be driven forward by her inordinate desire to get such necessaries for her own subsistence as territories for population outlet, raw material supplies and markets for dumping. But from this argument may also be drawn the inexorable inference for Japan that the conquest of new places in the sun is now, as ever, not something to be accomplished by sheer military force. To ensure her domination over Manchuria or North China, Japan herself is doubtless well aware, the logic of armament is not dependable in the long run. It way be the expeditious way to bear down opposition or other countries' interference for a time. But it cannot assure to Japan the enjoyment in ease of the fruits of spoils.

Japan, therefore, has exercised much caution not to push things in North China to the extremity of war. It seems quite certain after all that she is relying more on diplomacy, except with just enough show of military preparedness, to gain her desired ends. What is more subtle, she has been trying to throw dust in the eyes of the world by means of fair diplomatic parlance in order to divert attention from her ulterior motives. Her extension of influence into North China, though in so forceful and peremptory a manner, is charmingly cloaked with an offer for economic cooperation with China. With such blarney, she is prosecuting her schemes of developing the communications, exploiting the natural resources, and promoting the industries, of North China, with Japanese capital and expert service.

Japan knows well enough that to work her designs upon a highly civilized people none too friendly to her would be like building on sand, if no genial groundwork should be laid for their favorable inception. No force purely on a material basis will in the long run avail in opposing the resurgency of the mind and spiritual revolt. So the Japanese Government is working out many measures with the main object of preparing such a psychological attitude among the Chinese people as would receive favorably

Japanese ideas and things. This is the very motive of Japan's cultural drive in China. On one hand, her economic enterprises in North China will serve to produce a materialistic foundation in which Japanese cultural seeds may take deep root in the daily life of the Chinese masses. On the other hand, she is utilizing her cultural influence, after the fashion of Western imperialism, to make ready a future subterfuge for political intervention in Chinese affairs. Therefore, Japan's cultural penetration into China is advancing hand in hand with economic exploitation. This has been too evident from some of the schemes which the Japanese Government has been considering with these objects in view.

In these days when Sino-Japanese diplomacy has often shifted to tense moments, the Navy and Army heads in the Japanese Cabinet have been pre-occupied, impatiently and keenly alert, with the problems of expansion in Manchuria and China. But no less vigilant is the Cultural Enterprise Bureau in grasping at opportunities for the furtherance of Japanese cultural undertakings in North China. This bureau indeed has assumed such an importance as had never before been assigned to it. In June, 1936, Hachiro Arita was reported to be planning to expand the work of this bureau with reference to China. It will have to undertake measures more effectively and in a wider scope than just giving financial aid to cultural organizations and students. Hereafter it will render both financial and personnel assistance in promoting Japanese activities, economic as well as cultural, in its China field. To finance its plan, an estimate of Yen 740,000 was approved at an extraordinary session of the last Japanese Diet. Thanks to the efforts of Kenichi Okada, the cultural appropriation of this bureau was also increased from Yen 3,000,000 to Yen 4,000,000.

This new trend of Japan's China policy is further indicated by the recent decision of the Japanese Government to allocate the major portion of its cultural appropriation to economic enterprises in North China. Never before had such funds been diverted to purposes other than cultural. The China Cultural Enterprise Section of the Japanese Foreign Office, whose work henceforth will no longer be confined to cultural matters, got busy in July and August, 1936, preparing a concrete plan. According to a report of the *Japan Advertiser*, this appropriation will be devoted partly to the amelioration of the livelihood of the farming millions in North China and partly to the promotion of Japanese culture in China. To facilitate a general rehabilitation of agriculture there, experimental farms and industrial research institutes will be established in Tientsin, Tsinan and Tsingtao; and cotton planting, live-stock farming, sheep raising, and handicraft will be improved through the enlistment of expert service.

On the cultural side, libraries will be established in Peiping and Shanghai, where literature and documents relating to Japan will be always available, to serve as centres for the dissemination of Japanese culture. The Japanese Government will cause more Japanese cultural and scientific books to be translated into the Chinese language for distribution in China. The establishment of Japanese universities in China forms another item in Japan's cultural program. In August, 1936, the report of a scheme got about in the press for the organiztaion of a Sino-Japanese University in Peiping. Such a seat of higher learning can no doubt do much to direct Japanese cultural penetration in China. It was rumored that the university would be financed by the Sino-Japanese Boxer Indemnity Refund. Besides, material assistance and subsidies will be given by the Cultural Enterprise Bureau to those schools in China which offer courses in the Japanese language. In this connection it must not be forgotten that the Japanese have been eagerly seeking the revision of the textbooks used in the schools in North China so as to expurgate from them all passages expressive of nationalist or patriotic sentiments.

No wonder, then, a host of Japanese officials, industrial magnates, educationalists, and members of cultural associations have come over to visit China. Never before had their presence in North China been more frequent and conspicuous than in 1936. With keen foresight and in high spirits, they came to inspect conditions and see whether they were favorable for the introduction of Japanese business and capital. Dr. Yoshie Saito, well informed on cultural conditions in North China, and Mr. Mizuno, member of the Investigation Bureau of the Foreign Office, were sent to North China in June and July to prospect possibilities for Japan's cultural enterprises. About the same time, Kazue Kuwashima came on an extensive inspection tour through China. While staying in Peiping and Tientsin for a while, he had consultations with Chinese and Japanese authorities there with regard to the prospects of Sino-Japanese economic and cultural cooperation.

**Hopei Combed Through by Japanese and Korean Travelers**

Hopei in particular has been combed through by Japanese and Korean travelers, who nosed, so to speak, into every bit of land and water that might seem to them to have a bearing on Japan's plan of exploitation. Through July, August and September, 1936, over 100 Japanese passed through Paoting and other cities, making topographical sketches and taking pictures of places of strategic and economic importance. Carrying letters of recommendation from their "higher-ups" tagged with the additional weight of national prestige, they received the hospitality of local officials and traveled jauntily wherever they pleased. No details such as concerned highways, rivers, villages and the people's modes of living were considered too insignificant for their investigation. They jotted down copious notes on iron and coal mines, factories, and cloth and cotton manufactories in the various districts. One party probed into the workshops of the Peiping-Hankow Railway and another invaded the Paoting Agricultural College asking questions regarding farm products. A group of Japanese educationalists arrived in Peiping in August and conducted a general survey of the educational and cultural institutions in North China.

The personal investigation and reports by these Japanese and Koreans of conditions on the spot will no doubt contribute largely toward realizing the object of Japan's economic and cultural drive in China. But this portends as much danger for China as Japan's gun-booming and soldiers' maneuvers. History has furnished enough instances of the conquests and aggressions made by nations through their bland agents of culture. It is in the nature of modern nationalism that one country is as eager to advance its own culture and economic power into another as the latter is reluctant to receive it. Nowadays, therefore, culture has gone the same way as trade. The free international flow of both has been impeded by many barriers and kept up sporadically only on a give-and-take basis.

Sino-Japanese relations at present, to say the least, present a trying anomaly. It is not intended to question the motive or sincerity of Japan in approaching China for cooperation. But it is all too plain that the circumstances in which Japan has been making advances to China are rather out of keeping with her protestations of friendship. While Japan was suavely making her economic and cultural offerings as symbols of the olive branch, she was at the same time displaying her military power by staging turbulent army maneuvers. While her industrial and cultural leaders are preaching cooperation with China, her garrisons are bearing hard on North China and the ronins running amuck with their smuggling trade. It is doubtful whether all these incongruous and disturbing events could produce the genial atmosphere for the two countries to co-exist in perfect harmony and embrace each other on terms of equality.

It seems that the situation between China and Japan bears a resemblance to the case of the brass and earthenware pots of the Fable. Although further estrangement will surely offend the stronger party and may spell disaster for all concerned, yet a genuine reconciliation is tantalizing indeed and possibly may even prove dangerous for the weaker party. So, even for a long time to come, Sino-Japanese cooperation will be standing with a question mark. All depends on how all the Japanese schemes will pan out and how the Chinese people are going to react to them finally.

Nanking, March 10, 1937.

## Committee Appointed to Decide on Method of Refinancing American Club

At a special general meeting of the Shanghai American Club held Mar. 20, a committee of seven members was elected to take whatever steps may be necessary to refinance the club and increase its income. The Committee members are N. F. Allman (President), M. J. Harris, James A. Mackay, A. E. Schumacher, George Sellett, F. J. Twogood and C. F. Wolsiffer. Among the questions to be studied and decided upon are the admission of women members, changes in the premises, alteration in the financing, etc. On behalf of the general committee and a group which has been studying the financing situation, Dr. Sellett outlined a plan now under consideration. The plan, if approved by the debenture holders, would call for the raising of funds by means of a new issue, and he said it was gratifying to note that within the few days since the proposal had been made, more than half the necessary amount had already been pledged. He claimed that the refinancing now under consideration would cut annual requirements in half and would put the club on a sound income basis.

## H. C. Chen Discusses "White Slavery" and Prostitution in China

H. C. Chen, of the Educational Department, S.M.C., addressing members of the British Universities and Schools Luncheon Club in Shanghai Mar. 16 on the recent conference organized by the League of Nations to discuss measures for eradicating the white slave traffic menace, said that an international anti-kidnapping society should be formed, for the purpose of ensuring the welfare, protection, and employment of needy women in Shanghai, and for providing special homes and relief for Russian women. He quoted from a League Commission of Enquiry report in 1930 commenting on the white slave traffic in the Orient, it being stated that of the 17,000 women and girls who were registered as foreign prostitutes, only 174 were actually found to be occidentals. Practically the whole number of "foreigners" were found to be orientals. There was probably an equal number of unregistered prostitutes. In China, the report stated, there were 5,000 registered, and from 20,000 to 25,000 unregistered prostitutes. The "white slave" traffic in the East, therefore, was one of great importance, the speaker said.

# Can Japan Survive?

BY NUGENT RUGGE

*FOREWORD*

Japan has been received by the Great Powers as an equal. Is she equipped, morally and materially, to sustain that status? In the pages that follow the question is discussed in all its bearings, which has involved straying into historical and other by-paths. Perhaps it may be well to mention that the writer belongs to that school of thought which holds that nations survive by right of moral fitness, irrespective of, or at least not dependent upon, the number of bayonets that they can muster. The world's great Empires in the past sank to oblivion or obscurity, not because of material weakness, but because morally they had been weighed and found wanting.

To obtain a background, a brief sketch of Japan's progress since the Sino-Japanese War of 1895 is necessary. Until that war she had attracted little notice. Great Britain, in order to create a counter-weight to Russia, subsequently formed an alliance with Japan. In 1904-05 Japan defeated Russia, and thereafter began to don all the panoply of a Great Power. But the burden of the armor is now becoming intolerable. While, measured by her former armed forces, she has increased her military power, this has been accomplished at the price of increasing financial weakness. And, in comparison with others, her power has not increased. The Soviet Union has more than kept pace. In spite of the German menace on her western front, Russia maintains land and air forces in Eastern Siberia which are said to be equal, if not superior, to any force that Japan now possesses or could send to the mainland. The armies of China also have been reorganized and mechanized. China is to-day more powerful than in 1931. An attack upon the Republic might have an unexpected issue. The man-power upon which Japan could draw is limited. Not only has she a much smaller population than either China or Russia, but she has become industrialized. Neither China nor Russia has progressed far towards industrialization. Consequently their reserve man-power is practically without limit. The military forces of Japan have been strengthened, but, paradoxically, she is weaker. That Japan has the military and financial strength to defend her original Empire is unquestioned. But whether she can maintain herself as an expanding nation is open to doubt. She has grown too quickly, and is inevitably suffering from malaise.

On the Pacific, where by peaceful mutual agreement she enjoyed supremacy, by denouncing the naval agreements, Japan has placed that supremacy on the scales of competition. In other words the supremacy will pass to the nation or nations that can build most war craft in the shortest time. In a competitive race of the kind Japan must be hopelessly outdistanced.

Until 1931 Japan enjoyed the world's qualified respect. Then she was driven by her militarists to a course of action in Manchuria and China that drew upon her worldwide condemnation. The reader of the following pages may conclude that, by sabotaging the principle of collective security in 1931, she was instrumental in destroying respect for the sanctity of treaties and in spreading the war miasma that hangs over the world to-day.

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Following the Great War, the nations were pathetically anxious for lasting peace. They gladly entered into agreements with each other which bound them to refrain from aggression, and to abstain from war until all pacific means to reach a settlement had been exhausted. There was a genuine desire to make the earth a better place to live in for all races. Probably the vast majority hoped, even believed, that, by linking the nations by treaties, war and aggression would become an unhappy memory. But collective security and world peace were only possible if the nations kept good faith.

Japan broke faith in 1931. The nation that claims to be the leader of Asia wantonly disregarded her treaty obligations and attacked another Asiatic nation with which she was at peace. The censure of the world was passed on her for being, to use the words of Swinburne, of those "whom honor may not bind." Two great European countries have since turned into the noisome path that she threw open.

Let us look back a little. Japan gained an inconclusive victory over the Tsar's land and sea forces in 1904-05. But she has apparently forgotten that it was not entirely, or even mainly, due to the might of her arms that she emerged triumphant from the hostilities. Had it not been for the existence of the Anglo-Japanese Alliance, and the financial support given by the United States and Great Britain, she would have been overwhelmed. The well-informed in Japan and abroad were aware that, if the war had lasted a little longer, defeat for Japan was inevitable. In mentioning this now well known fact, there is no desire to belittle the gallant effort that was made by the Japanese army. Japan emerged from the conflict with a well deserved reputation for patriotism and efficiency.

### Annexation of Korea

For the first few years after the Russo-Japanese War Japan gave no open manifestation of the arrogance and contempt for international opinion that she has displayed since, notably during the last five years. Perhaps the change in attitude dates from 1910, when Japan annexed Korea. It is true that the world then made no serious protest, but it was not entirely forgotten that Japan had solemnly pledged herself to maintain the independence and territorial integrity of Korea. The value placed upon Japan's pledged word was considerably lessened by the annexation. Nor did the contempt for world opinion illustrated by the conferment of a high annexation honor upon Viscount Miura, who was disgraced for his complicity in the murder of the Queen of Korea in 1895, generally commend itself.

But the world in those days was disposed to be cynical and tacitly to agree that those should take who had the power. The law of the jungle, which the Fascist nations are now trying to reintroduce, still prevailed among many of the nations which claimed to be civilized. There was at that time no talk of collective security, and the League of Nations was still a wistful dream. This, however, is not the point. Japan undoubtedly came to the conclusion that the world would not effectively interfere in her plans of aggression, and she gave definite evidence that she drew that deduction when she presented the Twenty-one Demands in 1915; when she invaded Manchuria in 1931, and when she later started to build up a regime in North China independent of Nanking and subservient to Tokyo.

### The Twenty-One Demands

By the presentation of the Twenty-one Demands the veil, which had been partially lifted in 1910, was raised a little higher. Japan was enjoying unparalleled prosperity as a result of the outbreak of the World War. Occupying an insulated position, she was able to acquire much of the foreign trade of her allies and of Germany. Encouraged by the physical impossibility of any interference from outside, she attempted to compel China to agree to a series of demands which would reduce the Chinese Republic to the status of a protected state. Desiring to keep America and Europe unaware of what was going on until she was able to present the other Powers with *un fait accompli*, she threatened the Chinese with dire consequences if they disclosed the nature of the demands made upon her. In spite, perhaps because, of these threats, America and Europe were placed in possession of the text of the discreditable demands. Immediately Count Okuma, then Prime Minister of Japan, and the Japanese Ambassadors at Washington and London denied that any demands infringing the sovereignty of China had been presented. This equivocation opened the eyes of those who still placed trust in Japan's word. The outcome was the "temporary withdrawal" by Japan of some of the most outrageous demands, and a conviction on the part of Europe and America that Japan had to be watched. It may be mentioned that, when the demands were presented, Japan was still in alliance with Great Britain, but this did not deter her from endeavoring to persuade the Chinese Minister of Foreign Affairs to transfer to her certain rights which China had already given to Great Britain.

Notwithstanding the disillusionment of the world in regard to the good faith of Japan, even after 1915 she was accepted as a valuable member of the family of nations. Although chronologically old, as a first class Power she was a newcomer, and it was felt that, in spite of the difficulty of reconciling her conduct with a sense of moral responsibility, it should be remembered that she was still giddy after her meteoric rise from obscurity to consequence, and therefore should not be judged too harshly. It was hoped that the sobering influence of time would have its effect, and that her future conduct would justify her acceptance by the Occidental Powers as an equal.

### Signs of Grace

Thus, notwithstanding the duplicity and lack of good faith that Japan had shown, she was still in the world's good graces, or, if that is putting it too strongly, at least not in its bad graces. Moreover, her conduct at the Washington Conference, though after-knowledge shows that it was insincere, led to the belief that she might fully regain the esteem that she had partially lost. She accepted the Washington Naval Treaty and became one of the signatories of the Nine Power Pact. Moreover Shantung was handed back to China. In 1922 and for the next nine years, although her attitude towards China caused misgiving, Japan was practically reinstated in the world's favor.

It seems almost incredible that she should have been so blind as to sacrifice all the moral gains that she had made, and jeopardize her future, by her unprovoked invasion of Manchuria in 1931, in spite of the Covenant of the League of Nations and two treaties which she had voluntarily signed, which were supposed to render such conduct impossible. But, with a cynicism of which, up to that time, there had been scarcely a parallel, she defiantly showed the world that she was prepared to dishonor her signature if she thought the adoption of that course to her interest. From every quarter of the globe came condemnation of Japan's perfidy. A considerable number of liberal-minded Japanese also felt that Japan's good name was at stake. That was shown by the anxious, but unavailing, efforts made by Baron Shidehara, then Japanese Minister of Foreign Affairs, to restrain the militarists from continuing a course of action that had brought a storm of reprobation upon Japan. The militarists were, however, as firmly seated in the saddle as they are to-day. They took no notice of the orders of their Government, and extended the area of aggression until it included Jehol and the Shanghai region.

*(To be Continued next week)*

# "Serious Difficulties" Seen with Soviets Over Fishery Treaty, Foreign Minister Sato Informs Interpellator

Japan's relations with Soviet Russia came to the fore Mar. 22, as the Diet and the Foreign Office turned their attention to problems affecting the two nations. Answering interpellations in the Lower House, Foreign Minister Sato declared that efforts would be continued to conclude a new fishing convention with Moscow, instead of the provisional agreement expiring on Dec. 31. He, however, emphasized that Japan's fishing rights in the northern waters, reaffirmed by the Portsmouth Treaty of 1905, would not be affected by the failure to conclude a new convention.

Asked if he was prepared to deal with a situation wherein Japan would have to uphold her fishing rights by force, Mr. Sato replied that in such circumstances "final efforts designed to prevent relations from reaching a grave situation" would have to be considered.

The interpellator, Takeshi Azuma of the Seiyukai, then referred to the conduct of recent auctions for fishery lots in Russian territorial waters, which, he alleged, were disadvantageous to Japan.

"It seems as if the Soviet Government's five-year plan were directed at alienating Japanese interests. Under such circumstances it appears to me that it is most arduous for Japanese to negotiate with the Soviet authorities. Is it not this situation which the Premier referred to recently as 'an extremely delicate condition likely to precipitate a crisis'?" Mr. Azuma asked.

Mr. Sato: I do not expect negotiations for a fishery treaty to proceed smoothly and, consequently, we should be prepared for serious difficulties. All we can do then, is to do our best."

Mr. Azuma then queried the Government if Hachiro Arita, the former Foreign Minister, had negotiated with the Soviet Union for a withdrawal of Red troops in the Orient.

Answering on behalf of Mr. Sato, Kensuke Horinouchi, Vice-Minister for Foreign Affairs, informed the interpellator that the Japanese Government had made proposals to Moscow for a reconsideration of the disposition of the Soviet troops along the Manchurian-Siberian border at the time Koki Hirota, former Premier, was Foreign Minister.

"But, actually to implement this by means of accords between the two countries, we feel that the Soviet Union will have to show more good faith," Mr. Horinouchi remarked.

There is no connection between the fishery problem and the alleged suspension of connection between the Manchurian and Siberian railways by Moscow last month, Mr. Sato declared in answer to another question.

### Japanese Record Budget Passed by Peers—49 Percent for National Defense

Japan's largest peace-time budget was finally approved by the Diet March 22 as the House of Peers unanimously voted in favor of the Yen 2,813,937,000 appropriations bill. Forty-nine percent of the sum will be devoted to national defense.

Sitting in a plenary session March 22, the budgetary committee of the House of Representatives approved the supplementary appropriations bill of Yen 58,197,000. If approved by the Lower and Upper Chambers, this amount will bring the total budget for 1937-18 to Yen 2,872,134,000. This record peace-time budget will necessitate the issue of Yen 965,450,000 worth of "red ink" bonds, representing an increase of Yen 177,993,000 over the amount for the current year.

### Japanese House in Uproar as Yuki Is Accused of Favoring the Capitalists

Chaos reigned in the Japanese Lower House Mar. 18, as the two major parties, the Minseito and Seiyukai, rode roughshod over the opposition of the minor parties to approve the Government's tax bill. Several speakers accused Finance Minister Yuki of "favoring the capitalists," while others made ready for fistic contests with their colleagues from the majority parties. One verbose speaker was forced to cut his address short, unable to make himself heard over the din reigning in the House, while a proletarian M.P. was hustled out of the hall by the Diet guards when he began to abuse his bourgeois colleagues.

### Proletarians Make Gains in Tokyo Elections

Sensational gains were scored Mar. 17 by the proletarian Social Masses Party in the Tokyo municipal elections, as it increased its number of seats in the Municipal Assembly from two to 22. Another proletarian party, the newly-formed Japan Workers' Congress, making its debut in the elections, won four seats.

### Japanese Army Officers and Employees "Muzzled"

Moving to restrict public statements and writings by Army officers and employees, the Tokyo War Office Mar. 22 issued revised regulations governing authorship by men in uniform. The revision is part of the Army "purge" initiated as a sequel to the sanguinary Feb. 26 uprising of last year and is designed to prevent the airing of political views by military men. Affected are not only officers and men in active service, but the faculty and the student body of various military educational institutions, employees of military arsenals, and the members of reservists' associations.

Before making public any writings, attending public meetings, or taking part in the recording of phonograph records or the filming of motion pictures, all persons coming under the authority of the War Minister, will have to secure the permission of a divisional commander or the officer of equivalent rank. Only in cases of lectures on military subjects, will they be allowed to make them after securing the permission of their respective commanding officers.

### Japanese Pig Iron Guild Announces Sharp Advance in Price

With Japan's heavy industries experiencing an acute lack of pig iron, the officials of the Pig Iron Joint Sales Guild and the semi-Government Nippon Iron Manufacturing Company Mar. 20 set the price of April and June deliveries at Yen 83 per ton, Yen 26 above the previous mark of Yen 57.

### Osaka Shosen Kaisha Will Build Five New Vessels for South American Service

The Osaka Shosen Kaisha, Japan's biggest shipowning concern, has decided to build five large passenger and cargo vessels of high speed to improve its services to South America and Africa. For the South American line two 13,000 ton 20-knot steamers will be constructed, while three 10,000 ton ones are to be built for the African run.

### N. Y. K. to Raise Japan-Shanghai Freight Rates

Rates on the transportation of freight between Japan and Shanghai, both on inward and outward voyages, will be raised by 10 to 20 percent by the Nippon Yusen Kaisha effective June 1.

### Japan's Adverse Trade Balance Since Jan. 1 Stands at Yen 274,912,000

Japan's trade in the second ten days of March resulted in an adverse balance of Yen 47,170,000, with imports totalling Yen 134,561,000 and exports reaching Yen 87,391,000. The unfavorable balance since January 1 now stands at Yen 274,912,000. Cotton textiles continued to lead the list of exports, with Yen 14,243,000, trailed closely by raw silk, valued at Yen. 13,451,000. Rayon textiles came third, with a total value of Yen 4,240,000.

### Brazilian Mission Arrives in Tokyo—Will Visit Manchuria

Led by Prof. Ruy Mauricio de Lima E. Silva, of Rio de Janeiro University, 11 graduates of the engineering department of the institution, arrived in Tokyo, Mar. 17, for a two-week visit aboard the s.s. *Santos Maru*. The group will remain in Japan until April 1, inspecting various engineering works, factories and hydrolectric stations. On April 1, the mission will leave Moji for a two-week visit to Manchukuo.

### World Journalistic Culture Exhibition to Be Held in Tokyo and Osaka

A world journalistic culture exhibition will be opened in Osaka and Tokyo on April 1. It will display an array of the buildings of the leading newspapers and news agencies of the world, their equipments and facilities, their presidents and founders, the leading executives of the world's Fourth Estate, the first issues of prominent periodicals and unusual extras.

### Japan to Devaluate Yen at Some Future Date

Japan will stabilize the yen at a devaluated level at a future date, when the foreign currencies are stabilized, Okinobu Kaya, Vice-Minister of Finance, stated said in the Lower House March 19.

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# Japanto Fish for Salmon in Alaska Waters, Despite Warning from U.S.

Ignoring American Congressional warnings, the Japanese Government Mar. 16 gave notice of its intention to encourage Japanese fishermen to fish for salmon off Alaska. The declaration was made in the face of a direct warning by Lewis B. Schwellenbach, Democratic Senator from Washington, that "serious" international difficulties may arise out of the "threatened invasion" of the Northern Pacific areas by Japanese and European fishing interests. Speaking before the Senate on Mar. 8, the Senator declared that "this problem contains potentialities which may more seriously threaten the peace of the United States than any other on the immediate horizon."

Recalling that foreign vessels frequently engaged in whaling and seal-hunting off the coasts of Japan in the early days of the Meiji Era, the Association for the Promotion of High Seas Fishing Mar. 20 issued a pamphlet upholding the Japanese right to fish salmon off Alasaka. The pamphlet was mailed to members of the Diet, Government officials and interested quarters both in Canada and in the United States. The Association contends that fishing on the high seas is upheld by international law regardless of the location of the fishing grounds.

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### Japanese Reaction to America's Desire for Trade Treaty with Japan

Referring to the desire voiced by official quarters in Washington for the conclusion of a reciprocal trade agreement with Japan, commercial circles in Tokyo Mar. 17 pointed out that the major Japanese export to the United States, silk, and the major American export to Japan, cotton, enter duty free. Therefore, it is contended, any reciprocal agreement must be designed to readjust the trade relations between Japan and the United States, "which is one-sidedly favorable to the United States." For instance, it is argued, Japan bought Yen 250,000,000 more worth of goods from the United States last year than America purchased from the island empire. Both Japanese commercial and official circles express the opinion that if a reciprocal agreement is concluded, it must facilitate exports of so-called miscellaneous goods from Japan to the United States, which represent 40 per cent of Japan's outgoing trade with America.

## Nanking Bans Chinese Play "Sai Chin-hua" —Objections by Germans

The Peiping Municipality Mar. 22 received a telegram from the Minister of the Interior instructing it to ban the production of any Chinese play woven round the romantic life of Sai Chin-hua, no matter who is the playwright. The first performance of the play was scheduled for Mar. 22 at the Hsin Hsin Theater. Mr. Hsiung called on Dr. H. Bidder, Secretary of the German Embassy in Peiping, and had a friendly talk with him concerning the report in the Chinese press that the German authorities in Nanking had requested the Waichiaopu to ban the performances of this play.

Dr. Bidder is reported to have told Mr. Hsiung that the German representations were not directed against this play but against another one written by one Hsia Yen. He pointed out that what the German Embassy suggested was that the Waichiaopu ask the playwright to delete certain parts of the play which constituted a reflection on the life of a German commander (General von Waldsee.)

## German-Japanese Agreement May Lead to Boycott by America

The *Tokyo Yomiuri* published a dispatch from New York Mar. 12 stating that there is a danger of a nation wide outbreak of boycott against Japanese goods in the United States with plans to secure participation in the movement of Jews on the ground that Japan concluded an agreement with anti-Semitic Nazi Germany. Already the New England and several other States, it was stated, have reduced buying of Japanese cotton textiles, ceramic wares, toys, and vegetables raised by Japanese in the United States.

### Japanese Cruiser "Ashigara" to Visit Kiel after Coronation Review

After an absence of 30 years, a Japanese warship will visit Germany this year, it was officially announced in Tokyo Mar. 20. The ship will be the cruiser *Ashigara*, which will visit Kiel after participating in the "coronation" review off Spithead on May 20.

## Director of U.S. Economy League Warns Against Increase in Cost of Government

Dr. John C. Gebhart, Director of the National Economy League, Mar. 15 warned that the national economic structure of the United States may be unbalanced unless "the alarming increase" in the costs of government and of taxation is checked.

Artificial stimulation, combined with the natural forces of economic recovery, is producing an exceptionally vigorous business activity in America and abroad, it was noted by the L. P. Ayres monthly review of business conditions issued in Cleveland, Ohio, Mar. 15.

To correct what he characterized as erroneous interpretations of his position on credit and monetary policies, Marriner S. Eccles, chairman of the Federal Reserve Board in Washington Mar. 15 issued a statement that he favored a continuation of the Board's "easy money" policy as long as large numbers of persons are unemployed. At the same time, however, he said that he favored "increasing taxes on incomes and profits, if necessary to sustain the volume of relief, and simultaneously balancing the budget to permit the paring of the public debt as the nation's private debts expand."

**Unemployment Drops in the United States**

Unemployment in the United States during January of this year amounted to 8,403,000, a decrease of 18.7 per cent compared with the same period last year, but an increase of 7.4 per cent from December, 1936. The total number of persons employed during January totalled 44,521,100.

**Bolivia Cancels Standard Oil Company's Concession**

The Bolivian Government last week issued a decree cancelling the Standard Oil Company's concession and confiscating the Company's vast holdings in Bolivia. The decree charges the company with having defrauded the national revenues of 3,000,000 Bolivian pesos by exporting oil through a secret pipe-line to Argentina, without payment of taxes or royalties.

## U. S. House of Representatives Discusses Proposed Neutrality Bills

Neutrality was impossible unless it was backed by adequate force, said Edward V. Izac, member from San Diego, California, in a debate on the Neutrality Bill in the House of Representatives Mar. 16. Mr. Izac declared that U. S. could not build a Navy big enough to cover the seven seas. If, however, in proclaiming permanent neutrality they also announced that the United States Navy would be used only in home waters, they could keep the United States out of war.

Edith Nourse Rogers (Lowell, Massachusetts) condemned the McReynolds Neutrality Bill, which proposes permanent continuation of the present temporary neutrality laws expiring on May 1. She said that giving up their trade would not keep the United States out of war.

The question of whether, if the McReynolds Bill were enacted, the President might place an embargo on Italy and Germany in view of their part in the Spanish war, was asked by William I. Sirovich (New York City).

Mr. McReynolds (Chattanooga, Tennessee) in reply stated that such would not be the case unless the President found that the two countries were actually in a state of war.

The opinion was expressed by John Bernard, (Minnesota) that both the Pittman and McReynolds Neutrality Bills invited aggression by Fascist Powers since weak countries could not buy from the United States.

The Pittman Neutrality Bill, which was passed by the Senate on Mar. 3, provides: Loans and exports of munitions to belligerents in an international or civil war are forbidden; other commodities cannot be exported to belligerents until their ownership has been transferred from Americans to a foreign purchaser; American merchant vessels must not be armed, and American citizens are forbidden to travel in vessels belonging to belligerents. The McReynolds Resolution includes mandatory embargo on arms and ammunition, loans and credits; provides for arms embargo in case of civil war, discretionary provisions authorizing President to restrict export of "certain articles or materials" to a normal peace-time quota; to prohibit American vessels from carrying arms and other materials; to restrict travel by American citizens, etc.; drops reservation exempting Latin American states from provisions of existing act.

## Reincarnation of Dalai Lama Sought by Lamaist Priests in Kokonor

The authorities in Lhasa have appointed two high lamaist priests as special envoys to search for the re-incarnation of the Dalai Lama in Kokonor, where a baby boy was said to have been born, according to information received in Tibetan circles in Nanking last week. The envoys are now heading for Sining, capital of Chinghai Province.

## Soviet Army Stated to Have 1,850,000 Men

Confidential reports received by military quarters in Hsinking place the fighting strength of the Soviet Army at 1,850,000 men, the *Kokutsu News Agency* reported Mar. 20. The number of tanks was said to be 6,000 and the number of military airplanes 5,000. The forces stationed in the Far East, east of Lake Baikal, includes 16 infantry and four cavalry divisions and the strength of the first line was put by the reports at 300,000 men. Also stationed in the Far East is a force of 1,300 airplanes, of which 200 are heavy bombers; 1,250 tanks, and 75 submarines, most of which are located in Vladivostok. The force stationed west of Lake Baikal includes 20 infantry and six cavalry divisions. Along the Manchukuo border, the actual strength of this force is, however, below its paper strength, since units of the two armies are overlapping.

The army stationed along Russia's western frontier includes, according to the report, 70 infantry and 26 cavalry divisions. The entire Red Army, is composed of 1,300,000 regular troops, 300,000 trained militiamen and 250,000 socalled "special troops." The total number of divisions was placed by the reports at 132, of which 96 are infantry and 36 are cavalry. Nearly 89 per cent of the infantry is mechanized, while the cavalry is two-thirds mechanized. The number of heavy bombers was reported to be 180 Army and 30 Navy squadrons and the number of squadrons of pursuit planes was 170 in the Army and 10 in the navy.

**A Korean platoon commander in the Soviet Army in the Far East. This picture appeared in a magazine called *Die Volks Illustrion* (January), published in Prague, Czecho-Slovakia. For several years the Soviets have been training a division of Korean troops, emigrees in Siberia from Korea. The contingent is popularly called the "Korean Revolutionary Army."**

**Another Clash on Manchukuo Border—Sato Speaks of "Tense Situation"**

Another clash between Soviet border guards and a Manchukuo patrol occurred south of Suifenho, on March 17, according to a *Domei* report Mar. 20. There were no casualties. The Manchukuo patrol, the report said, were watching a force of eight Soviet guards engaged in a drill with electrically wired land mines. Allegedly the Soviet soldiers, suddenly opened fire on the Manchukuo force, which replied.

It is interesting to note in this connection that Japanese Foreign Minister Naotake Sato in a speech delivered to the Diet on March 20 on the subject of Japan's basically unchanged foreign policy declared that he would fully endorse Premier

Hayashi's statement that "the situation surrounding Manchukuo is so tense that it may burst out at the first ignition."

### Soviets Push Industrial, Agricultural and Educational Development in the Far East

Recent *Tass* reports from Khabarovsk gave details of how the Soviet Far East is being rapidly transformed into a flourishing industrial area. During the Frist Five-Year Plan and the three years of the Second, over 4,500,000,000 roubles were invested in construction work. In 1932, the value of total output of local large-scale industry amounted to 251,000,000 roubles, while last year the figure reached 580,000,000 roubles.

At the same time, Soviet Far Eastern agriculture is showing signs of rapid development. The Territory has 1,433 collective farms, 86 machine and tractor stations and State farms. 91.6 per cent of all peasant houesholds have joined collective farms. Last year, 4,237 tractors and 1,300 harvesting combines were tilling the fields of the Territory, totalling 1,026,000 hectares.

At present, the Soviet Far East has 2,553 schools 17 colleges, and 40 technical schools. In the North are 161 schools attended by the children of Nanay, Orochon, Evenki, Chukchi, and other nationalities. The Territory also has 315 Korean and Chinese schools, a Korean and a Chinese technical school, a Korean Normal Institute and also Korean and Chinese theatres.

### New Tin Deposits Discovered in Eastern Siberia

A *Tass* report from Irkutsk, Mar. 19, announced that 17 new tin deposits have been discovered in the Trans-Baikal part of Eastern Siberia during the past year.

### Exploitation of New Oil Fields in Sakhalin

A rich new oil-bearing area containing light oil of first-class quality was discovered at the end of 1936 in the Ehabi District (Soviet Sakhalin). As distinct from the Okha oil fields, where the oil is obtained by mechanical means only, the Ehabi oil wells up in fountains. One of the wells, the boring of which was completed in December of last year, now yields up to 50 tons of oil daily.

### Soviet Trade Representation Closes Office in Kobe

The Kobe Branch of the Soviet Trade Representation in Japan was closed Mar. 20 and the staff withdrawn to the Tokyo Headquarters of the Soviet Trade Representation. The Soviet Trade Representation now has only two offices in Japanese territory, namely, the Tokyo Headquarters and the Dairen Branch.

### Vladivostok Consul to Report on Anti-Japanese Acts

Yujiro Sugishita, Japanese Consul-General in Vladivostok, was recalled to Tokyo this week to report on the alleged Soviet campaign of anti-Japanese repression in that city. This step was precipitated by the receipt of an official notification by the Vladivostok branch of the Japanese Merchant Marine Union from the Soviet authorities that its license for 1937 had been revoked.

## Kuomintang Publicity Director Discusses Censorship System

The question of press censorship was discussed by Shao Li-tzu, formerly Chairman of the Shensi Provincial Government and newly-appointed Director of the Central Party Publicity Department, in the course of a dinner given in honor of over 50 press representatives at Nanking Mar. 19. Recalling that up to 12 years ago he himself had been a journalist, Mr. Shao said that during the present period of national emergency the mission of the press is especially important. Concerted effort must be made for the promotion of national unity and regeneration. Consequently, he said, while an active effort is being made in this direction, the press must be purged of all elements opposed to national unity and regeneration. This task is performed by the Press Censorship Board. Continuing, Mr. Shao said that, according to his personal observation, the press does not object to the principle of censorship, but to certain methods of censorship.

Among those present at the function were Fang Chih, deputy-director of the Central Publicity Department, T. T. Hsiao, Director of the *Central News Agency*, and others.

## Workshop in Nanking Makes Artificial Limbs for Maimed Soldiers

*Central News* says that artificial limbs turned out by the Nanking workshops of the National Health Administration promise to be a godsend to China's army of 5,000 maimed soldiers, who so far have received only poorly-made crutches to help them in moving about. A fund amounting to $320,000 was recently given by the Ministry of War to enable the National Health Administration workshop to manufacture human-made limbs to those who lost either arms or legs in the numerous battles in recent years against bandits, Japanese invaders or Mongol mauraders. The first batch of lame soldiers to be benifitted by such artificial limbs are those in the Nanking army hospitals. The second batch will be those quartered in Kaifeng in Honan and Tangtu in Anwhei. A great demand for man-made limbs is expected as soon as the Suiyuan issue has been liquidated.


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## Movements and Appointments in Diplomatic and Official Circles

Dr. C. T. Wang, Chinese Ambassador to the United States, had a one-hour interview with Dr. Wang Chung-hui, Chinese Foreign Minister, in Nanking Mar. 17. The Waichiaopu, according to Dr. Wang, has completed plans to move the Chinese Embassy in Washington to a new building, and the plan will be carried out after his arrival at his post.

Chao Chih-siang, head of the information bureau of the Tientsin Municipal Government, was appointed Mar. 16 by the Hopei-Chahar Political Council to the post of director of the Tientsin News Censorship Bureau in a concurrent capacity. His predecessor, Tseng Yi-chih, has been transferred to become counsellor of the Headquarters of the Pacification Commissioner for Hopei and Chahar with offices in Peiping.

Yin Jen-hsien, recently appointed member of the Hunan Provincial Government Committee and concurrently Provincial Commissioner of Finance, assumed office at Changsha Mar. 16. Mr. Yin succeeds Ho Hao-jo, who has been transferred to Honan.

Chien Chang-chao, Administrative Vice-Minister of Education, was received by President Lin Sen at National Government House in Nanking Mar. 15.

Chen Kung-po, former Minister of Industry, assumed his new post as Director of the People's Training Department of the Central Kuomintang Headquarters this week.

Marshal Feng Yu-hsiang, Vice-Preisdent of the Military Affairs Commission, was expected to return to Nanking this week from Shao Hsien, Anhwei Province, after visiting his late father's tomb.

Gen. Shangkuan Yun-hsiang, who was commissioned last year by the Central Government to study military affairs in Europe, returned to Shanghai this week from Hongkong where he had stopped over at the invitation of Gen. Yu Han-mou, Kwangtung Pacification Commissioner.

According to a statement made in Washington, Mar. 17 by Dr. Alfred Sze, the Chinese Ambassador, Madame Chiang Kai-shek, wife of China's generalissimo, will be unable to visit the United States in May, as previously reported.

The *Ta Wan Pao* Mar. 18 published a report that Chang Hsin-hai, Chinese Minister to Poland, who had been dismissed for special reasons, has secretly returned to Shanghai. The whereabouts of Chang was being kept secret, lest he might be apprehended by the Government.

Dr. F. Altenburg, German Consul-General in Canton, and a senior member of the Consular Body in Canton, has been promoted to the post of counsellor in the German Foreign Office. He will leave for Berlin in May.

Dr. Wang Chung-hui, Minister of Foreign Affairs, received M. Georges Barthel de Weydenthal, Polish Minister to China, at the Waichiaopu Mar. 17.

Accompanied by his family, Mirfen Dereski, Iranian Consul-General in Shanghai, departed from Shanghai for Soviet Russia Mar. 17 aboard the s.s. *North* to take up a new post there. With the departure of Mr. Dereski, the Iranian Consulate here has been abolished.

## Anti-Opium Commissions to Fourteen Provinces Appointed

Special commissioners to 14 provinces and the municipality of Shanghai, who will carry on the opium anti-opium campaign, were appointed Mar. 21 by Gen. Chiang Kai-shek in his capacity as Director of the Opium-Suppression Commission. The provinces to which the commissioners have been appointed include Honan, Anhwei, Hupeh, Kwangtung, Hunan, Kiangsi, Fukien, Chekiang, Shensi, Szechwan, Yunnan, Kweichow and Kiangsi.

### $20,000 Worth of Drugs Seized in Chengchow

The opium-suppression authorities in Chengchow Mar. 18 raided the godown of a local bank and seized $20,000 worth of raw opium. Three guards of the bank have been arrested for questioning.

### Drug Evil and Banditry in Hopei to Be Eliminated in Seven Months

The drug evil and banditry must be completely eradicated in Hopei within seven months, according to an order issued by Gen. Feng Chih-an, Chairman of the Hopei Provincial Government, to all administrative inspectors and magistrates in the province. Gen. Feng ruled that drug offenders arrested for the second time should be immediately executed.

### Manchukuo to Bring "Poisonous Opium Trade" Under Government Control

The *Shanghai Nippo* Mar. 21 stated that the "Manchukuo" authorities have decided to place the "poisonous opium trade" under government control. A detailed plan in this connection is now being drafted.

## General Tashiro Hands Out Instructions on Duties of Japanese Officers in North China

Instructions regarding their future duties in North China were handed out by Lieut.-Gen. Tashiro, Commander of the Japanese Garrison in North China, to the Japanese military officers at the concluding meeting of the Japanese military conference in Tientsin Mar. 17. The session was featured by reports rendered by the resident officers in Peiping, Tsintgao, Tsinan, Taiyuan, Kalgan and Tungchow.

Major-Gen. Kita, military attache to the Japanese Embassy, arrived in Chengchow Mar. 16 and paid separate calls on Gen. Liu Shih, Pacification Commissioner for Anhwei and Honan, and Gen. Shang Chen, chairman of the Honan Provincial Government. Major-Gen. Kita later flew to Tientsin to confer with Gen. Tashiro on the measures to effect a closer cooperation among the Japanese military officers in China.

Vice-Admiral Kiyoshi Hasegawa, Commander of the Third Fleet in China waters, proceeded to Nanking this week aboard his flagship, the cruiser *Idzumo*. On Mar. 25 he called at the Navy Ministry and the Waichiaopu.

## White Russians Resent Report That They Are Conducting Secret Activities for Japanese

The *Sin Wen Pao* Mar. 19 published a report that White Russians have been hired by the Japanese to open up cafes and book stores in Nanking to collect information and to conduct secret activities. Headquarters for such organs, it was stated, have been established in the office of a White Russian Paper in Rue Albert, Shanghai.

The *Shanghai Slovo*, Shanghai White Russian daily newspaper, declared Mar. 20 that reports regarding White Russian espionage in the city were malicious concoctions and denied any part in such activities. A protest was made to the editor of the *Sin Wan Pao* for publishing the reports, a representative of the *Slovo* said.

## Japanese Paper Says British Spread Propaganda to Offset Effect of Kodama Mission

Quoting a statement by Sir, Frederick Maze, Inspector General of the Chinese Customs to the effect that "Japan is violating the Sino-Japanese treaty of 1896 and tariff autonomy agreement of 1930, obstructing customs revenue and reducing redemption of foreign loans," the Tokyo *Yomiuri* Mar. 15 commented that British action in mobilizing anti-Japanese opinion in various newspapers in China and British channels of communication, was motivated by a distorted supposition that the Kodama mission was specially charged with negotiations to revise the Chinese tariffs and aimed at preventing such negotiations from being started, partly in compliance with the opinion of the Nanking Government.

### Chinese Sugar Association Addresses Appeal to Japanese Economic Mission

Co-operation of Japanese merchants in suppressing smuggling activities which have been carried on in China by Japanese and Korean ronin was urged by the China Sugar Production and Consumption Association in an 1800-word appeal addressed Mar. 17 to the Japanese Economic Mission visiting in this country. The illicit trade as it has been carried on in North China under the guiding hands of undesirable Japanese elements, the appeal emphasized, has been injurious to the legitimate trade of Chinese and Japanese sugar merchants alike. Due to the widespread smuggling activities in North China, the appeal pointed out, the Chinese Maritime Customs suffered a loss in revenue of some 8,700,000 Customs Gold Units, or approximately $220,000,000 in the sugar item.

## Sino-Siamese Association Formally Inaugurated at Nanking Mar. 21

A Sino-Siamese Association of China was formally inaugurated in Nanking Mar. 21. Over 200 officials were present. Chen Shu-jen, Chairman of the Overseas Affairs Commission, presided at the inaugural ceremeny. An executive and supervisory committee was elected with Chow Chi-kang, Ma Chao-chun, Ling Ping, Kao Tsung-wu, director of the Asiatic Affairs Bureau of the Waichiaopu, Dr. Y. T. Tsur, Vice-Minister of Industry, and Ling Kang-hou, chairman of the Shanghai Bankers Association, as members.

Vilas Ostananda, Siamese Trade Commissioner, saw J. K. Choy, managing-director of the China Merchants Steam Navigation Company, this week about the opening of a Sino-Siamese navigation route.

## Isis Theatre to Show "Abyssinia" Film Once More?

The *China Press* of Mar. 20 stated that the management of The Isis Theatre, when it reopens after April 1 after extensive repairs, will make an effort to have another screening of the Soviet film "Abyssinia," which last month formed the incentive for an attack by uniformed Italian sailors on the picture house. The local Chinese newspapers reported that a new copy of the picture has been ordered.

**The above cartoon appeared in Moscow *Izvestia* Feb. 24, under the caption, "I came, I saw, I conquered," with following sub-titles: "Brilliant Victory of Italian Arms.—Not at Madrid, naturally, but in a Shanghai cinema."**

The Italian Government Mar. 17 replied to the second Chinese protest filed in connection with the attack on the Isis Theatre during the screening of the "Abyssinia" film. The contents of the Italian reply were not divulged by the Wai-chiaopu although it is learned that the Chinese Government is not satisfied. The Italian document was handed to General Liu Wen-tao, Chinese Ambassador in Rome, and forwarded to Nanking by the Chinese Embassy. The Chinese protest alleged that Italian sailors were responsible for the attack.

## "Co-operation With England" Principal Object of Japanese Economic Mission

The *Tokyo Asahi* Mar. 16 stated that the Japan Economic Federation will open a joint conference of the Government and civil leaders to positively discuss the objects of the Japanese Economic Mission which is scheduled to visit America, England and Germany in the near future. Authorities concerned in the Foreign Office, the Ministry of Finance and the Ministry of Commerce and Industry, and all members of the economic delegation will attend the conference to be held at the Industrial Club in Marunouchi on about Mar. 31. It is expected that in the discussion of the objects of the mission, special emphasis will be placed on the problem of economic co-operation with England, which is generally regarded as the most important of the tasks of the economic envoys.

During the sojourn in Germany, the mission is expected to attend the general meeting of the International Chamber of Commerce in order to obtain a final decision upon the opening of the 1939 general meeting in Tokyo, the issue having tentatively been decided upon at the directors' meeting held in Paris some time ago.

# In the United States Court for China

| | |
|---|---|
| OSCAR ELDER LINQUIST, Plaintiff, vs. LILLIAN MARGARET LINQUIST Defendant. | Cause No. 4178<br>Civil No. 2057<br>ORDER<br>Filed at Shanghai, China, March 9, 1937.<br>WILLIAM T. COLLINS Clerk |

The object of this suit is an action for divorce

WHEREAS, plaintiff herein, by his attorneys, has this 9th day of March, 1937, made application for the substitution of publication for personal service upon the defendant herein; and

WHEREAS, it appears from the files in this case that on the 8th day of March, 1937, the summons for defendant was returned by the United States Marshal for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS, it appears from the files in this case that on the 9th day of March, 1937, the plaintiff herein field an affidavit to the effect that the defendant does not now reside in China nor has she resided therein since December 2, 1936, and that defendant's last known address was Room 301, 24 Central Road, Shanghai

NOW, THEREFORE, it is this 9th day of March, 1937, ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the *China Weekly Review*, a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 27th day of March, 1937, the day of last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT:

Dated at Shanghai, China,
this 9th day of March, 1937,

MILTON J. HELMICK,
Judge.


## FOR SALE

A subscriber, residing in Nanking, would like to dispose of back-issues of THE CHINA WEEKLY REVIEW, from Vol. 5 to Vol 30 (June 1, 1918 to November 29, 1924) and Vol. 42 to Vol. 66 (September 3, 1927 to November 30, 1933). Librarians or others interested, please communicate with the Subscription Department, mentioning this advertisement.

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160 Avenue Edward VII
SHANGHAI

## LEADING TOKYO PAPER DECLARES ECONOMIC MISSION "A FAILURE"; DR. KUNG NAMED CORONATION ENVOY

(*Continued from page* 130)

Liu Wen-hui is expected to discuss important matters with General Liu Hsiang, Chairman of Szechwan. Liu Wen-hui is uncle of Liu Hsiang. He was driven out of Szechwan by the latter to Sikong two years ago.

*Hwa Mei Wan Pao* reported Mar. 19 that the Szechwan Provincial Government is urgently in need of a sum of $10,000,000 for the relief of famine refugees and that T. V. Soong and other bankers will be asked to visit Szechwan.

## DISBANDMENT OF ONE-THIRD OF ARMED FORCES IN SZECHWAN URGED

Immediate disbandment of one-third of the military forces in Szechuan as previously ordered by Gen. Chiang Kai-shek was urged upon the Szechuan military authorities by the Szechuan residents in Nanking. At a meeting held there Mar. 21 in welcome the visit of Teng Han-hsiang and Lu Tso-fu, secretary-general and reconstruction commissioner respectively of the Szechuan provincial government, the Szechuan residents strongly criticized the heavy military expenditures shouldered by the people. This heavy financial burden, according to them, has been the main cause for the present deteriorated economic conditions in the province. In reply Mr. Teng assured them that their opinions will certainly be sincerely taken into consideration by Gen. Liu Hsiang, chairman of Szechuan.

It is learnt that the Tibetan authorities have despatched two high officials—Ko-Tsang Hutuketu and Kei-Tsang Hutuketu—to Chinghai (Kokonor) to seek a new-born baby, who is believed to be the reincarnation of the late 13th Dalai Lama, temporal ruler of Tibet. Ko-Tsang Hutuketu has already arrived at Yushu in Chinghai, and is continuing his journey to Hsining, provincial capital of Chinghai.

Elaborate preparations are being made in Nanking to greet the arrival of Si-tan-chia-sou, noted Buddhist scholar and religious leader in Tibet. The Tibetan envoy, who started his journey from Lhasa last month, arrived in Shanghai March 23.

## WANG ADDRESSES MONGOL LEADERS, SELF-RELIANCE URGED

The first anniversary of the establishment of the Local Autonomy Political Council of the various Mongolian Leagues and Banners in Suiyuan province was commemorated Mar. 17 at a service held in Kweihua. Wang Ching-wei, Chairman of the Central Political Council, General Yen Hsi-shan, Vice-President of the Military Affairs Commission who is concurrently Chief Directing Official for the Mongol Council were present. Prince Sha-Ko-Tu-Erh-Cha-Pu, Chairman of the Council presided.

On the invitation of Prince Sha, Mr. Wang delivered an address as follows :—

"I am very happy to have this opportunity to attend the celebration of the first anniversary of the establishment of the Local Autonomy Political Council of the various Mongolian Leagues and Banners in Suiyuan province. According to the principle of Nationalism (*Min-Tsu Chu-I*) of the Kuomintang, internally, we should unite the various races within the country and, in a spirit of love and friendliness, make concerted efforts to promote the interests of national welfare; and, externally, strive for the freedom and equality of China in the community of nations. Our Mongolian compatriots are the descendants of Ghengiz Kahn. Endowed with the blood of this hero, they will certainly understand this principle and cooperate unanimously in its enforcement. Outer Mongolia is now depending on the support of a powerful State, and Eastern Mongolia on another. Both of them think that they are thus assured of security. Little do they realize that in case of a conflict between the two powerful States, our compatriots in Outer and Eastern Mongolia will be sacrificed. When I think of such a tragedy my heart is filled with anguish. At present the national emergency in China is not yet over. However, in view of our vast territory and the dense population, if we unite in heart and effort we can transform the situation from one of danger to one of safety. What is most important is that we must rely on our own efforts, and not on others, for the preservation of our national existence. While we may become friends with any of the powerful States, we must not depend on them. We firmly believe that this is the one and only method of saving the nation and preserving its existence. In short, our compatriots, both Mongolians and Hans, must realize that national regeneration can only be achieved by our own efforts."

Local autonomy is a desirable thing and no sensible person should object to it, Gen. Yen Hsi-shan declared at the opening conference of the council. To only acknowledge the desirability of autonomy is not enough, Gen. Yen said. The Chinese should help the Mongols to achieve their self-government and there is no better way than to assist them in promoting education and developing production.

The first plenary meeting of the Local Autonomy Political Council of the various Mongolian Leagues and Banners in Suiyuan Province for the present year was formally opened at Kweihua Mar. 18. A total of 19 members was present. The ceremony was presided over by Prince Sha-Ko-Tu-Erh-Cha-Pu, the Chairman.

The 2nd session of the plenary meeting of the Council of the various Mongolian Leagues and Banners in Suiyuan Province was held Mar. 19. After a recess at noon, the 3rd session was held in the afternoon. In the course of the two sessions, a number of proposals relating to investigations into the population and territory of the various Mongolian leagues and banners, promotion of local autonomy, and enforcement of the Outline for the Promotion of Education among Mongolian Leagues and Banners were discussed. It was also decided to request the Central authorities to appoint natives of Mongolia as judges and procuratiors of the various grades of law-courts.

Measures of defending the various Mongol leagues and banners in Suiyuan against external invasions were among the resolutions adopted by the Council which concluded its three-day session Mar. 20. The meeting also passed resolutions calling for the development of communication, education, afforestation and cattle raising in northwestern Suiyuan which is inhabitated by Mongols. It was also decided to ask the National Government for funds to build a headquarters for the political council at Taimiaotze about 200 li west of Paotou and to repair the tomb of Genghis Khan in northern Suiyuan. In addition, the conference laid down the rule that the legal tender notes issued by the government banks should be accepted throughout the Mongol leagues and banners in Suiyuan.

## WANG CHING-WEI REVIEWS RECENT TRIP TO SHANSI AND SUIYUAN

That the military and civil leaders in Shansi and Suiyuan are loyal to the Central Government and that the people are in complete accord with the policy of the Central and provincial authorities were the impressions gathered by Wang Ching-wei, Chairman of the Central Political Council, during his recent trip to the two provinces in connection with the memorial services for the Suiyuan war dead held at Kweihua. Mr. Wang returned to Nanking Mar. 18. Reviewing his trip at the Weekly Memorial Service Meeting of the Central Party Headquarters Mar. 22 Mr. Wang declared that he was deeply impressed by the spirit of the people, which is indicative of the reawakening of the masses. According to Mr. Wang, military training in Shansi and Suiyuan has produced marked results. When he attended the political council meeting of the Mongolian dignitaries, Mr. Wang was impressed by the sincerity of these leaders. He was also pleased with the progress of the civil administration and education in Mongolia. Speaking on the reconstruction in country as a whole, Mr. Wang said the many are of the opinion that China is hopelessly lagging behind. He then emphasized the necessity of following the reconstruction plans as laid down by Dr. Sun Yat-sen and the undaunted spirit of the late Kuomintang leader. Concerning the communists in China, Mr. Wang declared that should they wholeheartedly support the decisions of the recent plenary session they will be given a chance to serve the country. Should they adhere to the principle of class struggle, he added, they will alienate themselves from the rest of the country. Concluding, Mr. Wang stressed the problems of internal development and external aggression cannot be solved separately.

While it is the common desire of the Chinese people to see the realization of a Sino-Japanese economic rapprochement, the fact that past events have been so deeply implanted in their minds makes it necessary for China to continue its preparedness for active resistance against further alien encroachment on Chinese territory, declared Wang Ching-wei, chairman of the Central Political Council, at a press reception he gave in Taiyuan, Mar. 17. Mr. Wang's statement, it was stated, was prompted by the recent friendly overtures of the Tokyo Foreign Office and by the present visit of the Japanese Economic Mission. Reminding the Chinese people not to slacken for one minute in their preparedness for emergency, Mr. Wang exhorted them to carry out their duties in accordance with the policy as laid down by the Third Plenary Session of the Central Executive Committee. He also asked them to be prepared to lay down their lives for the defense of the nation's territory.

Referring to the future status of the Communist Party in China, Mr. Wang asserted that if the Reds accept the policy as outlined in the manifesto of the Third Plenary Session and the Session decisions, the Central authorities will give the Communists a chance to start life anew. But this, Mr. Wang emphasized, did not mean the outright admission of Communists into the Kuomintang. When the Party first admitted the participation of the Red Party in the Nationalist revolution, Mr. Wang explained, it allowed the Communists to keep its party organization and propaganda machine intact. At the present juncture, however, when the nation has to stand together to resist foreign aggression, Mr. Wang added, there was only one way out: namely to unify the whole nation and to join hands in the common struggle under the banner and one leadership. "If the Communists," Mr. Wang stated, "are keen and earnest in taking part in the national salvation work, it will be necessary for them to abolish the so-called Soviet Government and Red Army as well as their party and propaganda machine, for the existence of such organizations are incompatible with national unification and national salvation tasks."

Voluntary contributions to the Suiyuan "war chest" continue to pour in from Chinese residents abroad. On Mar. 17, 2,294 Reichs-marks were received in Nanking from Chinese students in Germany, which will shortly be remitted to Kweihua.

## Objection Raised in House of Peers to Large Manchukuo Army Expenses

A vigorous protest against the "ever-growing" military expenses in Manchuria was voiced in the House of Peers Mar. 18 by Baron Ryoitsu Asada, of the Kosei Kai. "When," he asked the War Minister, "will the expenditures in connection with the 'Manchurian Incident' reach their limit? What expenses will be required by the Army in the future?"

Gen. Gen Sugiyama, War Minister, replied that the future expenditures would probably remain at the present level, "unless an emergency occurs." Future appropriations, he added, will be dictated by the changes in Manchukuo's relations with her neighbors.

Baron Asada wanted to know why the expenditures of the Japanese Garrison in North China are included in the Kwantung Army's appropriations, although they are independent of each other.

### Four Japanese Soldiers Killed in Encounter with Bandits

Four Japanese soldiers were killed in an encounter with bandits, according to official announcement by the Kwantung army, the *Asahi's* special correspondent wired from Hsinking Mar. 16.

### Bandits Capture Sansing for 10 Hours

Several hundred bandits made a sudden descent on Sansing, on the Sungari river, at midnight Mar. 20 and created havoc in the city. They remained in occupation of the town for ten full hours, during which they pillaged shops and killed a Japanese police superintendent.

### People's Revolt Reported in Jehol

Protesting against the oppression of the authorities, the people of Jehol last week started a revolt in the Linnan district. Together with members of the Red Spear Society, 5,000 insurgents attacked Linnan city Mar. 17. "Manchukuo" and Japanese troops are reported to have been rushed to the district by the puppet state.

### Retired Japanese Non-Commissioned Officer Sentenced for Aiding Bandits

Under heavy guard, Fumio Saito, a retired non-commissioned officer and later a prosperous merchant, was this week taken from Hsinking to Japan, where he will be lodged in a prison for the next ten years for selling Kwantung Army munitions to Manchukuo bandits. Three of his accomplices, one of them a woman, received sentences ranging between two and eight years. They were also fined from Yen 100 to Yen 500 each. Although the court martial was closed on Mar. 9, the ban on the publication of the story was not lifted until Mar. 15. A communique issued by the Kwantung Army charged the culprits with stealing munitions from an army warehouse and selling them to bandits through Manchurian agents.

### Manchukuo Commander Flies to Tokyo

Li Shou-hsin, commander of the Manchukuo "irregulars," flew to Tokyo Mar. 20 and is expected to return two weeks later, according to a Kalgan message published in the *Central Daily News* Mar. 22. The paper further reported that an enlarged administrative conference of the bogus regime in north Chahar will be convened following Li's return from Japan.

### Manchukuo to Control Major Industries

The promulgation, as well as the enforcement, of the Key Industry Control Act of the Manchukuo government is expected by April 1 at the latest, the final decision on the legislation having been reached last week. The Act contains stipulations designating the kinds of industries to be placed under the regulation of the Act and those regarding government licenses for enterprises and official supervision over different stages of production.

### Manchurian Flour Industry Developed with Japanese Capital

The *Tokyo Asahi* Mar. 14 stated that the advance of Japanese capital to the flour industry in Manchukuo has been especially remarkable in recent years due to the imposition of the prohibitive duty on imported Australian wheat flour through the operation of the Trade Protection Law against Australia and the 50 per cent reduction in the freight charges of North Manchurian wheat transported to South Manchuria. Following the expansion of different flour mills in North and South Manchuria, the all-Manchurian annual flour production capacity is nearing 35,000,000 sacks, and has almost made Manchukuo self-sufficient in wheat flour.

## S. M. R. Increases Capacity of Coal Liquefaction Plant at Fushun

Aiming to satisfy Japan's annual demand for 360,000 tons of crude oil by 1939, the South Manchuria Railway Company Mar. 13 began the expansion of its huge open-cut coal mine. The present annual output of the liquefaction plant, built last year after protracted and expensive experiments, totals 145,000 tons.


## In the United States Court for China

In re.
THE ESTATE
of
CHESTER ELTON
COLT,
Deceased.

Cause No. 4174
Special Proceedings
No. 2053
NOTICE
Filed at Shanghai, China,
February 27, 1937.
William T. Collins, Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of Chester Elton Colt, deceased, to present the same with vouchers to the undersigned on or before September 6th., 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Julian R. Briggs, Administrator,
c/o American Club,
Shanghai, China.

Shanghai, China.
February 27, 1937.

## In the United States Court for China

In the matter of the
change of name
of
ANNA SCHWAGER
GOLDBERG

Cause No. 4183
Special Proceedings
No. 2062
NOTICE
Filed at Shanghai, China
March 16, 1937.
WILLIAM T. COLLINS,
Clerk.

NOTICE

Notice is hereby given that Anna Schwager Goldberg, an American citizen residing in China, has filed her petition in this Court praying for authority to change her name to Ann Summers.

Any person interested may, on or before April 3rd., 1937, offer and show to said Court why the said petition should not be granted.

WILLIAM T. COLLINS,
Clerk.

## Spanish Insurgents Allegedly Use Abyssinians in Campaign Against Madrid

A message from Valencia Mar. 20 stated that the insurgents are transporting Abyssinians to Spanish Morocco. The vessel *Domine* left Port Said for Ceuta with 400 Abyssinians Mar. 16, having come from Jeddah, "where it took aboard 117 pilgrims to conceal the real nature of the trip." The same day the s.s., *Cesare Battisti* is said to have passed through the Suez Canal with 2,000 Abyssinians who are alleged to have been taken aboard at Massawa, in Eritrea.

### Archbishop of Canterbury Describes Italian Reprisals as "General Massacre"

The alleged recent massacre in Addis Ababa, following an attempt on the life of Marshal Graziani, Viceroy of Ethiopia, was drawn to the attention of the British House of Lords by the Archbishop of Canterbury Mar. 16. He said it appeared that Italian troops and the Black Shirt Labor Corps had been encouraged, or at least permitted, to take reprisals in their own hands. As a result, the night of Feb. 19, as well as the two following days, was what could only be described as a "general massacre." The estimates of those killed, said the Archbishop, ranged from 2,000 to 6,000.

Three young educated Abyssinians, who studied in England, are stated by the Ethiopian Legation in London to have been butchered during the Addis Ababa massacre, namely the son of Mr. Herouy, the Abyssinian Foreign Minister, and the two sons of Dr. Martin, the Abyssinian Minister in London.

### Mussolini Cuts Short Visit to Africa—Tension Between Rome and London Foreshadowed

Signor Mussolini Mar. 23 cut short his visit to Libya and made a precipitate return to Rome. Il Duce's return coincided with a defeat of the Italian forces serving with General Franco at Guadalajara. New tension between London and Rome is foreshadowed, among other things because the London newspapers referred to the defeat at Guadalajara as a "New Caporetto."

### Spanish Loyalists Say German Ships Load Arms for Spain

Two German ships, the *August Cords* and the *Consul Cords*, were at Antwerp Mar. 27, having loaded arms for Spain at Bremen, according to a note delivered at the Foreign Office in London Mar. 17 on behalf of the Spanish Government.

### Cost of Singapore Base Mounts from £7,000,000 to £11,500,000

George Hall, a Labor member in the House of Commons Mar. 18 called attention to the fact that the cost of the Singapore Base had grown from £7,000,000 to £11,500,000, excluding £2,750,000 to be spent by the Army and Air Force.

Kenneth Lindsay, Civil Lord of the Admiralty, in explaining the expenditures stated that, when completed, the Base would be a most tangible expression that, in the Pacific, Britain was prepared to defend her interests, and it stood there—surely no aggressive idea 4,000 miles from Japan—to protect Australia, New Zealand and other interests Britian had over the Pacific Ocean.

## Indian Congress Members Take Oath to Work for Independence of Country

More than thousand newly-elected Congress members of the Indian legislatures a took an oath of allegiance to the Congress and the country at New Delhi Mar. 19.

The President of the Congress, Jawalharlal Nehru, who was educated at Harrow and Cambridge, read the words in Hindu, and a thousand throats repeated the oath, which runs :—"I, a member of this all-India convention, pledge myself to the service of India and to work in the legislatures and outside for the independence of India and the ending of the exploitation and poverty of her people. I pledge myself to work under the discipline of the Congress for the furtherance of the Congress ideals and objectives, to the end that India may be free and independent, and her millions freed from the heavy burdens from which they suffer."

Mr. Nehru, who presided, declared: "There is no question of our taking office if our condition is not fulfilled. It is no mere paper condition."

## Bank of Formosa Supports Japanese Southward Advance Movement

The *Tokyo Asahi* Mar. 16 stated that in order to support the national southward policy, the Bank of Formosa intends taking measures to prepare itself as a financing organ in overseas markets. For realizing this object, the bank has decided to send a representative to the South Sea and Near Eastern markets for observation of the banking and trade conditions there.

Koji Kishi, Head of the Kobe Branch of the Bank of Formosa, entrusted with this task, will leave Japan soon to visit the South Sea and Near Eastern markets in order to make a survey of the advance of Japanese articles in these markets, possibilities of developing new markets, etc.

The Bank of Formosa intends to decide upon a positive business policy to deal with these markets on the basis of a report to be brought back by Mr. Kishi, the *Asahi* stated.

## Wuhu Merchants Declare General Strike Following Dispute Over Business Tax

A general strike, declared in protest against the allegedly forcible measures adopted by the authorities at Wuhu for the readjustment of the Business Tax, has been strengthened by the rice merchants joining the movement. Bills demanding the punishment of Pai Yun-sheng, Director of the Wuhu Business Tax Bureau, by whose order two merchants were arrested and paraded through the streets following an altercation with the tax inspectors, were posted by the merchants in front of their shops Mar. 17.

### Fukien to Float Loan for Electric Power and Highway Development

For the purpose of readjusting the electric power enterprises and developing the highways in Fukien, the Fukien Provincial Government has petitioned the Executive Yuan for permission to float two loans—an Electric Enterprise Loan for $720,000 and a Highway Loan for $960,000. The two loans are to be redeemed in 15 years. The petition is understood to have been referred by the Executive Yuan to the Ministry of Finance for consideration.

### Nanking Official Journal Lauds Plans for Central Reserve Bank

The official *Central Daily News*, discussing the projected reorganization of the Central Bank into the Central Reserve Bank, Mar. 22, commented that the formation of the Central Reserve Bank of China by the Government will go a long way towards eliminating provincialism, small-scale credit loan extension and irrational competition, which characterize business of Chinese banks.

### New Itallan Adviser to Chinese Government to Arrive March 29

Signor Alberto de Stefani, Italian authority on public finance and the new financial adviser to the Chinese Government, is scheduled to arrive in Shanghai from Rome on March 29 aboard the s.s. *Victoria*.

## Dr. James Yen Explains Objects of Tinghsien Experiment—Not a "Model District"

Dr. James Yen in a letter from Changsha Mar. 15 pointed out certain discrepancies in an article entitled "A Government of Professors" which had appeared in the *North China Daily News* Mar. 9, reciting that China's first district government manned entirely by college professors, had been quietly inaugurated at Tsining Shien, a district in Shantung south of Tsinan on the Tientsin-Pukow Railway. The venture is a co-operative scheme of five universities which are receiving financial aid from the Rockefeller Foundation in New York, the institutions including Yenching, Tsinghua, Peiping Union Medical College, Nankai and Nanking Universities.

The following points were made by Dr. Yen: (1) Tinghsien is not, and was never intended to be, a "model district." The aim was not to produce a "model district," but to study the rural district from the four standpoints of education, livelihood, health, and local government, to evolve through practical experimentation techniques and systems for the reconstruction of rural life along these four lines, and finally to train personnel to inaugurate and carry on similar work in other districts; (2) Tinghsien has not been "disbanded." The Mass Education Movement is still carrying on experimentation and training work along the lines of education, health, and people's livelihood.

### Szechwan to Have Experimental District for Administrative Reform

A message from Chengtu Mar. 22 stated that Dr. James Yen, vice-chairman of the Szechwan planning commission, has obtained the approval of Gen. Liu Hsiang, Chairman of the Szechwan Provincial Government, to establish an experimental district for administrative reform at Hsintu, north of Chengtu. Considerable significance is attached to the project inasmuch as the administrative reform promised by Gen. Liu in his "new deal" for Szechwan will first be tried out in this experimental district and will be introduced into other hsiens.

## British-American Tobacco Co. Showed a Net Profit of £5,541,755 Last Year

The 34 h annual general meeting of the British-American Tobacco Company Ltd., was held in London recently, Sir Hugo Cunliffe-Owen, Bart. (the chairman) presiding. He said the accounts showed a net profit for the year of £5,541,755, an increase of £72,584. Last year a balance of £2,357,877 was carried forward. There was a disposable balance of £3,367,672, out of which the Directors recommended the allocation of a further sum of £150,000 to the employees' benevolent fund, bringing that fund up to £263,600, the distribution on Jan. 18 of a final dividend (free of United Kingdom income tax) on the issued Ordinary stock of 8d. per £1 of stock, amounting to £789,392, leaving £2,428,280 to be carried forward.

# Yen 30,000,000 Aircraft Firm Projected in Japan

Backed by leading Tokyo and Osaka financiers, a Japanese aircraft manufacturing company capitalized at Yen 30,000,000 will make its appearance early next month, a *Domei* message from Tokyo, March 20 stated. Tentatively named the Showa Aeronautical Manufacturing Company, the firm will enter into open competition with Mitsubishi Heavy Industries, Co. Ltd., and the Nakajima Aircraft Manufacturing Co.

### Kwantung to Donate 72 Planes in Honor of Revolutionary Martyrs

In honor of the 72 Revolutionary Martyrs, a scheme has been initiated for the purchase of 72 airplanes, by donations to be solicited from Chinese citizens at home and abroad, for presentation to the National Government. This decision was reached in Canton Mar. 19 at a meeting of the Kwangtung Provincial Party Headquarters.

### Japanese at Hankow Refuse to Cooperate in Air-Raid Trials

While voicing deep satisfaction over the results of the air defense maneuvers held on the night of Mar. 17, the Chinese community in Hankow expressed resentment over the refusal of the Japanese Concession to cooperate in the light-control system practice.

The maneuvers began in the morning when "enemy" planes dropped incendiary and "tear" gas bombs over the Wuhan area. Houses were "afire" and "reactionaries" and "rowdies" attacked. Sirens were sounded and the defense force swiftly acted.

In the evening, "enemy" planes attacked again and the lights in the entire area were shut off—except those in the Japanese Concession, which refused to cooperate. The French Concession authorities complied with the Chinese request.

### Airdrome at Dairen Is Formally Opened

Dairen's big new airdrome was formally opened on Mar. 22. Extending for a distance of 600 meters, the airfield is equipped along the most modern lines. It is one of the finest in the Far East.

### Huitung Air Company Holds Reception for Officials

The Huitung Air Company, which operates several air lines between Tientsin and Manchuria, held a reception at Nanyuan (Peiping) Mar. 18 for local Chinese officials. General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, and General Chin Teh-chun, Mayor of Peiping, were among those in attendance.

### Mayor Wu Teh-chen Asks for Cooperation in Aviation Reconstruction Movement

Hopes that the people of all walks of life in Greater Shanghai would whole-heartedly co-operate to help promote the aviation reconstruction movement were expressed by Mayor Wu Te-chen at the first general meeting of the Shanghai Branch of the China Aviation Reconstruction Association held at the Shanghai Civic Centre, Mar. 20.

### Entire Postal Service Between Holland and N.E.I. to Be Maintained by Airplane

The Royal Netherlands Airways Company announced in Amsterdam Mar. 19 that, as the charges for the transport of airmail have been reduced, the entire letter and postal service between Holland and the Netherlands East Indies will from now on be carried out by airplane. In 1927 this journey took 17 days, but has now been reduced to four-and-a-half.

### Mrs. Amelia Putnam's Round-the-World Attempt a Failure—Plane Crashes at Honolulu

The proposed round-the-world flight of Mrs. Amelia Earhardt Putnam, ended in disaster at Honolulu Mar. 20 when she crashed on the take-off for Howland island. None of the occupants of the plane, which also included a technician and two navigators, were injured. George Palmer Putnam, New York publisher and husband of the aviatrix, announced that the damaged plane would be shipped back to the United States, where it will be repaired and preparations made to again attempt the round-the-world flight. Mrs. Putnam is in the meantime proceeding back to the United States by steamer.

Mrs. Putnam piloted her plane out of Oakland, California, Mar. 17, and made excellent time on the first leg of her flight, passing both the *Pan American Clipper*, which is on a survey flight to New Zealand, and the *Hawaii Clipper*, which is on the regular trans-Pacific run. Both planes had left Oakland before Mrs. Putnam and arrived in Honolulu several hours later than she did.

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## Day-Time Drowsiness

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To restore lost efficiency your urgent need is a course of tonic treatment for the blood, and of all blood tonics there is none more speedily efficient, more reliable and convenient than Dr. Williams' Pink Pills. Although renowned for more than half-a-century, these Pills are still absolutely up-to-date, because they contain within their formula all the elements regarded by the Medical Profession as requisite for renewing the life stream by imparting to it an abundant supply of red corpuscles, oxygen and iron.

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## Promotion of Fishery Industry Planned for Sanmen Bay on Chekiang Coast

Heralding the development of Sanmenwan, a bay on the east coast of Chekiang, a thorough investigation into its fishing industry is being undertaken by experts dispatched by the Research Institute of Zoology and Botany of the Academia Sinica at the invitation of the Department of Reconstruction of the Chekiang Provincial Government.

### Gen. Feng Yu-hsiang Buys Million Pine Saplings for Villagers

Gen. Feng Yu-hsiang, Vice-chairman of the Military Affairs Commission, who is spending a three-weeks leave of absence in his native village at Chaohsien, Anhwei, is devoting his time to improving the conditions in and around his hometown. In addition to plans for the opening of an industrial school for boys and girls, he has now purchased 1,000,000 pine saplings for his fellow-villagers. These trees will be planted on the barren hills around Chaohsien.

### Chinese Tea Merchants Complain of American Restrictions

The Ministry of Industry Mar. 17 received a petition from Chinese Tea Merchants in Shanghai complaining of the restrictive quota placed on the import of Chinese red tea by the United States, and suggesting that negotiations be taken up with Washington to cancel such restrictions. The export of Chinese red tea, which at one time dominated the world tea market, has dwindled by alarming degrees owing to the barriers raised by various foreign countries, the petition revealed.

### Chiuta Salt Company Not to Be Sold

The attempt of the Hsin Chung Company to purchase the Chiuta Salt Company at Tangku and reorganize the business into a North China Salt Company, has been frustrated by the stubborn refusal of the Chiuta Salt Company to sell the concern, the *Shun Pao* of Mar. 19 stated.

## China Orders More Railway Equipment in England

Reports from London Mar. 19 stated that the Chinese Government Purchasing Commission is placing extensive orders with Britaish firms for the Nanking-Kiangsi Railway. Shipments will begin with 55,000 tons of rails, which are equivalent to 365 miles of track. Further orders to the amount of £300,000 will be placed for locomotives, freight and passenger cars and workshop equipment.

### Three Projected Railways to Converge at Meihsien, Kwangtung

Meihsien in northeast Kwangtung is expected to rise into prominence as a communication center as the result of its being the converging point for three projected railways, namely, the Canton-Meihsien Railway, the Meihsien-Swatow Railway and the Kwangtung-Fukien Railway.

### Board for Railway Workshop Formed with Chang Kia-ngau at Head

The Board of Directors for the projected $10,000,000 Railway Workshop has been formally organized by the Ministry of Railways. The board consists of eleven members with Chang Kia-ngau, Minister of Railways, as its chairman. Shen Chang, former Managing Director of the Peiping-Suiyuan Railway, is to become the general manager of the new workshop.

### Through Passenger and Freight Service on Nanking and Kiangnan Railways

The Nanking Municipal Railway has made arrangements with the Kiangnan Railway (Nanking-Wuhu) for through passenger and freight traffic on these two lines beginning from April 1st next. An agreement for this arrangement was signed this week.

### Opening of Sian-Paochi Railway Ushers Economic Prosperity to Central Shensi

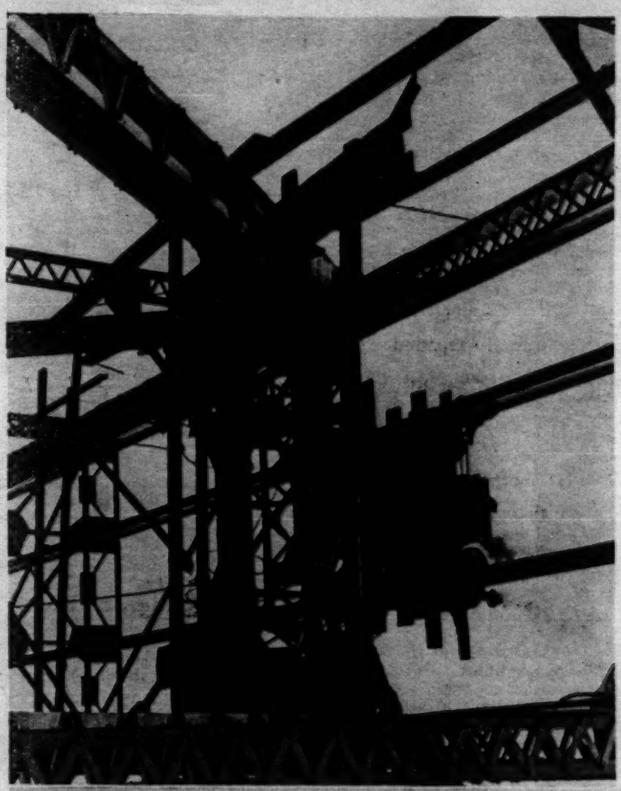
With the inauguration of traffic on the Sian-Paochi section of the Lunghai Railway, central Shensi is expected to enjoy an economic boom.

Prices of land along both sides of the line are soaring. Land in the vicinity of the railway station at Paochi costs now as much as $1,000 per mow.

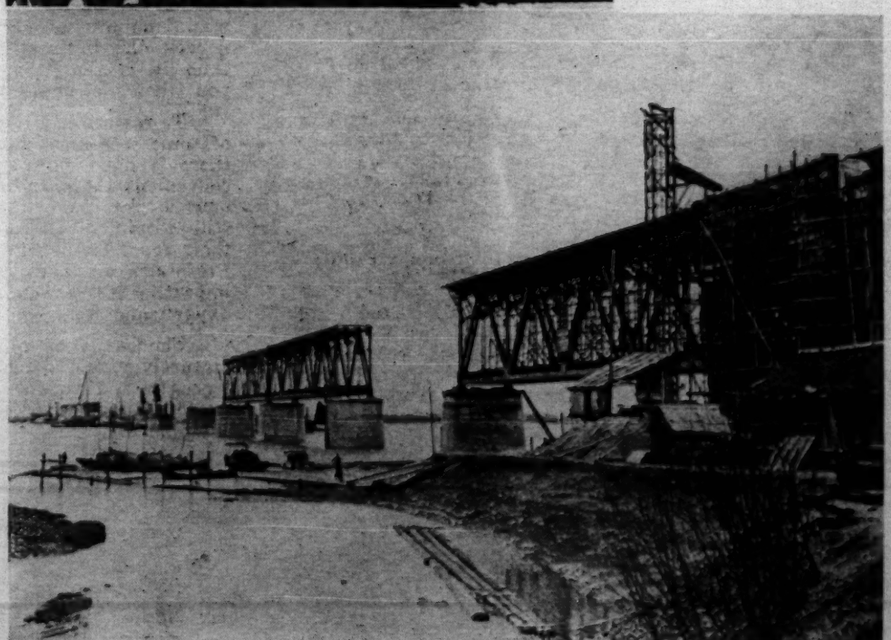
### Hunan Buses to Be Equipped with Diesel Engines

A movement has been started by the Hunan highway bureau to install Diesel engines on all long-distance buses in the province.

## CONSTRUCTION WORK ON CHIENTANG RIVER BRIDGE TO BE COMPLETED THIS AUTUMN



**Construction work on the gigantic bridge spanning the Chientang River will be completed this autumn, it is learned from local communication circles. The new structure will be formally opened to traffic on the Double Tenth Anniversary (Oct. 10) simultaneously with the opening of the Tsaowo-Hangchow section of the Shanghai-Hangchow-Ningpo Railway, now under construction. Meanwhile, preparations are being made by the Shanghai-Hangchow-Ningpo Railway Administration for starting through traffic on the lines linking Shanghai with Ningpo, Chuchow and Canton, with Hangchow as the center. The two views herewith show sections of the bridge in course of construction.**



*—Photo by A. H. Buchman*

## Extent of Japanese Smuggling Shown by Discrepancies in Customs Reports

According to the statistics released by the Customs administration, Japanese imports in the month of February totalled $6,000,000 while exports to Japan amounted to $3,000,000, the excess of imports over exports amounting to $3,000,000. According to a Japanese Customs report, however, the excess of imports over exports in China's trade with Japan in February was $20,000,000. It is therefore assumed that the value of Japanese goods smuggled into China during the month of February was no less than $17,000,000.

### Registration of Smuggled Goods to Be Made in Peiping

As a result of negotiations between the City Government of Peiping, the Bureau of Finance and the Peiping Chamber of Commerce, it has been decided that all smuggled goods now stored in the city shall be registered with the Government before the end of March and the Customs duties paid thereon.

### Killing of Two Korean Smugglers at Tsangchow to Be Settled Locally

The *Central News* learns that the Tsangchow armed smuggling incident, in which two Koreans were killed and which prompted the Japanese authorities in Peiping to lodge a series of demands with the Hopei-Charhar Political Council, is being handled locally and no further report about the progress of the case has been received in Nanking. According to reports from Tientsin, four new customs barriers will be established near the Tientsin-Pukow Railway West Station and along the Tzeya River and the Peiping-Tientsin Railway. More preventive agents will also be sent to the key points of the city to carry on the drive against the illicit trade.

### Japanese Spinning Company Increases Capital

The Japanese Kurashiki Spinning Company in Japan has recently increased its capital by $1,500,000, and has decided to establish a spinning and weaving mill in Tientsin.

### Japanese Spy in Honan Again Active

The *Shun Pao* Mar. 19 stated that the Head of the Japanese Special Affairs Organ in Chengchow, who was recently deported after having been found guilty of conducting a conspiracy to create disturbances in the interior, has now again been named by the Japanese authorities to take charge of special work in Honan and Hopei. His headquarters are in the Japanese Concession.

### Japanese Conduct Surveying Work in Tungkwan

A recent message from Sian stated that a group of Japanese had arrived in Tungkwan from Shansi last week. They were found to be without proper passports. These Japanese are stated to be conducting surveying work in Tungkwan.

### Self-Styled Emperor Arrested in Hopei

A man named Chen Chia-chuan who called himself Emperor was arrested by the local authorities at Laychiu in southern Hopei on March 15. Chen secretly organized a religious sect and large numbers of ignorant farmers joined him. He and his followers were sent to Paoting for trial, the *Sin Wen Pao* of Mar. 18 stated.

### Anti-Japanese Paper Banned in Tientsin

The popular newspaper, *Masses Life*, was ordered to close down by the Tientsin Municipal Government Mar. 22, the reason given being that its criticisms had been very "drastic."

## Japanese Complain of Attitude of 29th Army in North

After months of comparative calm, friction was again injected Mar. 23 into the relations of the Chinese Twenty-Ninth Army, stationed in Hopei and Chahar provinces, and the Japanese authorities in the district.

While Japanese officials opened an investigation into an alleged attack against a Nipponese contractor by a sentry of the 29th Army at Tungchow, Denjiro Kato, first secretary of the Japanese Embassy, lodged a set of three demands with Gen. Chin Te-chun, mayor of Peiping, in connection with a protest which he made on Mar. 19. According to the Japanese authorities, a Japanese woman was subjected to "a most humiliating examination," by gendarmes attached to the 29th Army, who are said to have entered her compartment in a sleeping car. Other members of the 29th Army are charged with having rummaged through the personal baggage of Toru Hagiwara, a consul stationed in Tientsin, Masasuke Nakane, consul in Kalgan, and Lieut.-Col. Shiro Omoto, resident officer in Kalgan, over the protests of the officials, who were said to have presented their credentials.

The demands made ask for the punishment of the responsible officials, formal apology and a guarantee against the recurrence of such behavior by Chinese military officials.


## CUSTOMS NOTIFICATION NO. 1568

The public is hereby notified that in accordance with Government instructions all lottery and sweepstake tickets issued abroad (including sweepstake tickets on races etc.), the sale of which in China has not been authorised by the Government, are forbidden importation.

CHU CHANG-NIEN,
Superintendent of Customs.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 18th March 1937.

## CUSTOMS NOTIFICATION NO. 1569

Notice is hereby given that the Custom House will be closed, and the shipment and delivery of cargo suspended, on Monday, the 29th March 1937, which has been set aside by the Government as a national holiday.

PAUL BARENTZEN,
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 19th March 1937.

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**The National City Bank of New York, Rates of Exchange**

Shanghai, March 24, 1937

| | |
|---|---|
| Demand selling rate on America: | U.S. $1.00=Sh. $ 3.36 |
| Demand buying rate on America: | U.S. $1.00=Sh. $ 3.34 |
| Demand selling rate on London: | £1.0.0=Sh. $16.44 |
| Demand buying rate on London: | £1.0.0=Sh. $16.30 |

### JAPANESE SAY BRITAIN'S INTEREST IN DEVELOPMENT OF HAINAN ISLAND LIES IN ITS MILITARY VALUE

(*Continued from page 124*)

The speech paid warm tribute to the spirit of fair play and justice animating British diplomacy, and called special attention to the many services which Sir John Brennan had rendered during the many years that he had been in China. Dr. Kung rejoiced that Sir John would from now on be in a position to render larger services to his Government, and that with his understanding of China and friendly attitude towards the Government and the people, he would be able to contribute more toward cementing the happy relations now existing between China and Great Britain.

In a speech delivered at the dinner given by the British Chamber of Commerce and China Association, Calder Marshall, who presided, declared that the British appreciated the many things which Sir John had done to further British interests in China. He then reviewed the rapidly changing conditions which had taken place during Sir John's career in China, and the success which had attended his efforts to take care of problems arising out of these conditions. In reply Sir John expressed regret at leaving the country in which he had worked so happily for many years, although he was pleased to get the post in the Foreign Office to which he has been transferred. Speaking of the changes that have taken place and of possible future developments, Sir John stated that, in spite of occasional regional difficulties, he was certain that China had come through the worst of her revolutionary period and that she is continuing to advance toward strength and unity as a powerful nation. He stressed the fact that British interests in China will be best served on the basis of mutual sympathy and good-will rather than on stipulations and agreements drawn up years ago. Finally he expressed pleasure that his work in the Foreign Office would enable him to keep in close touch with British interests in China.

## British Ambassador Listens to Grievances from Hankow Chamber of Commerce

Sir Hughe Knatchbull-Hugessan, the British Ambassador, was entertained at dinner by the Hankow Chamber of Commerce Mar. 13, when an address of welcome was made by W. Bowling, the chairman of the Chamber. The speaker in the course of his remarks said that unfortunately Hankow had not fulfilled the expectations of becoming the Chicago of China. He suggested that the Chinese Government could assist much by abolishing interport duties, which had long been a burden on trade at the outports. He said he realized the difficulties of the Chinese Government and he was glad to record appreciation of the way in which the S. A. D. 3 (former British Concession) was being administered. Among the handicaps from which British merchants suffered, said the speaker, was the delay in the execution of court orders. Usually by the time execution is to be made the debtor had absconded; this was discouraging to all honest traders, Chinese and foreign alike. China's barter agreement with Germany, said Mr. Bowling, had inevitably compelled her Government to an ever-increasing extent to enter into the realm of private trade, and he did no tthink this augured well for the future. He ended by saying that he felt that the interpretation of British policy was in capable hands.

In his reply Ambassador Hugessen said he would do all in his power to remedy grievances which exist and bring the points of view—British and Chinese—to a better understanding of the other.

## Canton Wipes Out Gambling—Foreign Authorities Asked to Cooperate

Gambling has been practically wiped out in the Chinese city of Canton, and the Chinese authorities are turning their attention to the foreign concessions on Shameen. The foreign authorities have been asked to prohibit gambling in the areas under their control. Although not bound by the Chinese anti-gambling regulations, the British authorities in Shameen have already rounded up a number of gamblers and handed them over to the Chinese police.

## Many Chinese Laborers Migrate to Malaya

A remarkable increase in the number of Chinese workers from Fukien to British Malaya is being witnessed as a result of the recent decision of the Singapore Government to increase the "monthly Chinese laborer immigrants to 6,000." Meanwhile, it is learned that the Siamese Government has decided to further raise the entry tax beginning from April 1, as a measure to restrict the emigration of Chinese to Siam.

## Silk Strikers Yield to Warning of Kuomintang —Go Back Work

Yielding to a warning issued by the Kuomintang Headquarters, the strikers at 17 silk factories in Shanghai resumed work Mar. 18.

In compliance with order form the local Kuomintang Headquarters, the strikers in all of the ninety-eight silk factories have resumed work. Before resuming operation, they established a committee which will conduct negotiations for better treatment.

## S. M. C. and City Government Discuss Outside Roads Question

Following the agreement last week between the Shanghai Municipal Council and the Shanghai City Government that the City Government would collect the taxes from the landlords in the block in Tifeng Road, which had been barricaded by the S.M.C. as a means of coercing the tenants to pay up, little has transpired. In the meantime the general subject of the jurisdiction of the outside roads has been discussed once more between Stirling Fessenden, Secretary-General of the S.M.C., and O. K. Yui, Secretary-General of the City Government.

The subject was discussed in *The China Press* Mar. 19 by Woo Kyatang, who intimated that the discussions might proceed on the general outline of the previous *modus vivendi*. The contents of the 1932 and 1934 *modus vivendi* were never revealed to the press. It was recalled that in July, 1932, preliminary steps were taken by Council authorities to open negotiations on this complicated problem. Nearly two years later, on June 4, 1934, a proposed arrangement, which for the lack of a better name, was described as a *modus vivendi*, was agreed upon by the City Government and the Council. One of the conditions under which the discussion was carried out was that any agreement reached would be first subject to the approval of the National Government and the various foreign diplomatic representatives concerned. The *modus vivendi* thus agreed upon was limited to a general statement of principles which could be applied practically. These included matters concerning police control and administration, taxation and finance, maintenance and repair of roads, operation of public utilities, health and other similar problems. In August, 1932, local representatives of the American and British Governments informed the Council that the proposal had received the approval of their principals. No such approval was forthcoming from the Japanese Government.

### Chinese Lawyer Files Suit Against Shanghai Municipal Council Over "Barricade" Incident

A suit has been filed with the Court of Foreign Consuls in Shanghai by Yeh Shao-ying Chinese lawyer, against the Shanghai Municipal Council for the placement of barricades on the entrances of the "Stupid Valley Village" facing the "outside roads," and the cutting of the sewage and drainage systems in the lane. Mr. Yeh, who is one of the house tenants in the beseiged village, stated in his petition that he and his family had been deprived of the use of the entrances and drainage of the said lane as a result of the obstructions made by the Council. These obstructions, he complained, have greatly inconvenienced him in the use and enjoyment of his said home.

## Urabe and Yamamoto Will Run for Re-Election as Members of Municipal Council

Takue Urabe and Takeo Yamamoto, Japanese members of the Shanghai Municipal Council, who withdrew from the campaign for re-election following criticism of their actions in local Japanese newspapers, on Mar. 19 ended the deadlock which left the Japanese community without candidates for seats on the Council, by agreeing to stand for re-election.

### Japanese Urged to Take More Interest in Shanghai Administration

Japanese residents were editorially urged by the *Shanghai Mainichi* Mar. 19 to take a deeper interest in the administration of the International Settlement, as well as that of their own Residents' Corporation, so as to make Shanghai "a better place to live in." Admitting that the "anachronistic" Land Regulations left no room for a revision of voting qualifications in the Settlement without a head-on clash with British influence, the *Mainichi* urged the adoption of measures that would stimulate the initiation of conversations between the Chinese Government and the interested Foreign Powers for a reform in the Settlement charter.

## Judge Helmick Rules That New York Corporation Can Be Sued in China

Judge Milton J. Helmick, delivering judgment in the U. S. Court for China Mar. 22 in the hearing of a motion in the case of Fagan & Co., Ltd., v. Toch Bros. Inc., in which plaintiff brought an action for a breach of contract (alleging that the defendant was an American corporation, incorporated under the laws of one of the states of the U.S.A., and subject to the Court's jurisdiction) ruled that "defendant's motion to quash service will be over-ruled and the defendant will be held to answer."

The defendant by a motion contended it was not a resident of or domiciled in China, but was a resident of New York State and maintained on office in China, and was not doing business in China. Judge Helmick held that American corporations should not be permitted to function in this field in a manner essentially local in nature and compel persons across the street who have dealt with them and who are likely to be non-Americans to cross the Pacific to seek redress in some Court in the United States.

# Who's Who in China

程海峰
Cheng Hai-fong

Cheng Hai-fong, League of Nations' official; born in Hsiu-ning, Anhwei, 1904; graduated from the Tsing Hua College 1924; received M. A. from the Stanford University, U. S. A. 1927; Secretary of the International Labor Office, China Branch, 1930-33; Adviser to the Workers' Delegate to the 17th and 18th Sessions of the International Labor Conference 1933 and 1934; Chief of the Inspection Section of the National Factory Inspection Bureau 1933-34; now Director of the International Labor Office, China Branch; author of "China's labor problems" etc.; address: International Labor Office, China Branch, 754 Bubbling Well Road, Shanghai.

程海峰，生於一九零四年，安徽省休寧縣人。清華學校畢業，美國士丹福大學碩士。一九三〇年回國，任國際勞工局中國分局秘書；一九三三年十月任實業部中央工廠檢查處檢查科科長；並充第十七屆（一九三三年）及第十八屆（一九三四年）國際勞工大會勞方代表顧問；一九三四年八月任國際勞工局中國分局局長（現職）。著有"中國勞工問題"等書。通訊地址：上海靜安寺路七五四號國際勞工局中國分局。

## Dr. Chu Min-yi to Head Motor Caravan Trip to Yunnan

Dr. Chu Min-yi, former Secretary-General of the Executive Yuan, has been invited by the Executive Yuan to be the head of the Motor Caravan which is leaving Nanking for Yunnan on April 5. Interviewed before his departure for Shanghai, Dr. Chu explained that the reason why Gen. Chiang Kai-shek has organized such a trip, is to enable the participants to gather first hand information about the interior so that the rich resources there may be exploited and communications be developed.

In previous days, he said, it took two months to reach Szechwan and Kweichow by land and at least 20 days to Yunnan by boat. Today, the trip takes only a little more than four days, as the result of the improvement in highways.

## Japanese Bank in Shanghai Increases Capital 20-Fold

Under Government auspices and with the backing of the semi-official Bank of Chosen, the capitalization of the Shanghai Bank, Ltd., a local Japanese institution, was increased almost twenty-fold at a general meeting of shareholders held Mar. 27. Significance was attached to the bank's action by the presence in Shanghai at the time of this reorganization of Keizaburo Kato, president of the Bank of Chosen, who is a member of the Japanese Economic Mission.


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LECTURES: Class work will be given in the morning. There will be lectures on Confucianism, Buddhism, Christian Missions, and Chinese History and Art. The afternoons will be reserved for sightseeing, library work and individual study. A few lectures on general topics will be given in the evenings.

LIBRARY: The College has a large research library on China and related subjects, open to all, whether they are enrolled as students or not, without fees.

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| or per month ..... | 100 |

**ACADEMIC CALENDAR**

| | |
|---|---|
| Opening of Summer Term | Monday, June 28, 1937 |
| End of Summer Term | Friday, July 30, 1937 |
| Opening of Autumn Term | Monday, October 4, 1937 |
| Thanksgiving Holiday | Thursday, November 25-26, 1937 |
| End of Autumn Term | Friday, December 18, 1937 |

Early enrollment and reservation of rooms are desired.

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*Peiping*

*Telegraphic Address: Language, Peiping,*

# Men and Events

The tenth anniversary of the occupation of Nanking by the Nationalist Army was observed in Nanking, Mar. 23.

Dr. C. C. Selecman, President of Southern Methodist University, Dallas, Texas, occupied the pulpit at the Moore Memorial Church, Shanghai, Mar. 21

Four unidentified men shot and killed Col. Chen Hsiang-lin, Director of the Amoy Police Bureau, Mar. 18. The *Sin Wen Pao* stated the culprits were Japanese.

Admiral Henry Edgar Grace, who was Commodore at Hongkong from 1922 to 1924 and Aide-de-Camp to King George V in 1924-25, died in London Mar. 19 at the age of 61.

A memorial service for the late Chiang Hsi-hou, brother of Gen. Chiang Kai-shek, who died late in December last year, will be held on April 15 at Fenghua, the native village of the Generalissimo.

A Maternal Education Exhibition will be held in Nanking for a period of one month, beginning April 4 (Children's Day), with the object of calling the attention of women to home economics and child education.

Messrs. Chow Chih-tsu and Cheng Man-ling, representatives of the Annam Branch of the Chinese Kuomintang, who have been on a tour of Chinese cities, sailed by the s.s. *President Doumer* Mar. 23 on their return home.

The property and premises of the International Recreation Club at 722 Bubbling Well Road, Shanghai, are for sale by private tender. In the event of a sale it is understood that the Club will seek a new site elsewhere.

The American University Club, Shanghai, held a luncheon meeting at the American Club, Mar. 23. The guest speaker was Dr. John C. Ferguson, Advisor to the Executive Yuan, who spoke on "Shanghai—Old and New."

Nanchang, capital city of Kiangsi province, will assume the status of a municipality under the supervision of the provincial government, July 1, 1937. The population of Nanchang, has now passed the 300,000 mark.

The Head Post Office and all its sub-offices in Shanghai will observe Sunday hours on Mar. 29, the anniversary of the death of the 72 revolutionary martyrs. The day has been set aside by the National Government as a national holiday.

On the recommendation of the Executive Yuan, the petition of Hsu Yu-chao, an overseas Chinese in the Philippine Islands, who participated in the abortive revolt in Fukien in 1933, for cancellation of the Government's order for his arrest, has been approved by the National Government.

At a meeting of the Pan-Pacific Association of Shanghai held Mar. 24 at the Park Hotel, William M. Kirkpatrick, Special Representative in China of the Export Credit Guarantee Department of the British Government, spoke on the subject of Parliamentary Experiences in England.

Concluding a one-day visit in Nanking, Alexander Dean, professor of Dramatic Art at Yale University, and Mrs. Dean flew to Peiping Mar. 20 where they expect to remain for two or three weeks. Professor Dean is spending his furlough year studying dramatics in different countries.

Accepting an invitation issued by Dr. W. Y. Chen, general secretary of the National Christian Council of China, five Japanese Christian leaders will visit Shanghai for two weeks late in April. The visitors will be headed by Tsunejiro Matsuyama, a member of the House of Representatives.

Capt. C. C. Brown, Assistant U. S. Naval Attache, who has resided in Shanghai for several months, is planning to depart shortly for Washington where he will be assigned to regular duty. Capt. and Mrs. Brown probably will proceed to San Francisco and travel across the United States by motor car.

Mrs. E. O. Heuser and Mrs. Helen Blake Wisner, prior to their dsparture for America this week, were guests at several farewell parties. Mrs. Heuser is going to America for a holiday, while Mrs. Wisner, who is accompanying her, is returning to her home after a visit of several months here.

A report appearing in Japanese newspapers to the effect that large sums of false notes of the Bank of China had been printed by the Soviet Government and had been recently shipped to China for circulation, was branded by the Soviet authorities in Shanghai Mar. 18 as a malicious fabrication on the part of the Japanese.

Dr. G. Werner, well-known German scientific and technical expert on artificial silk, was a recent visitor to Shanghai. Dr. Werner is of the opinion that an artificial silk industry will come into being in China within a reasonable space of time and that this industry will be built upon a sound and profitable basis.

As a farewell for Mrs. John W. Nichols, wife of Bishop Nichols of St. John's University, on the eve of her departure for America, Dr. and Mrs. A. W. Tucker entertaind at dinner in their home in Shanghai. Among those present were Mrs. R. N. Harris, Mrs. T. C. Britton, Jr. and Mrs. James Pott.

The Shanghai Ratepayers' annual meeting—which is the counterpart of a town meeting in New England—will take place April 15 at 2.30 p. m. at the Grand Theatre. A. D. Bell, prominent Shanghai real estate man and a former chairman of the Shanghai Municipal Council, was to have presided, but owing to the death of Mr. Bell Mar. 24, another presiding officer will have to be selected.

A serviee was held in Peiping, March 21 to commemorate the 73rd birthday anniversary of the Late Marshal Tuan Chi-jui. The affair was organized under the auspices of a number of former followers of the late Marshal Tuan, including Messrs. Wang Yi-tang, Tsao Yu-lin, Li Shih-hao and Chen Chuen-sheng.

A sentence of three years and six months' imprisonment was inposed by Judge Feng in the Shanghai Disrict Court Mar. 21 against Zee Tso-ling, charged and convicted of negligence, causing the death of two persons who were killed in the boiler explosion on the morning of Feb. 28, at the Shanghai Commercial and Savings Bank at 50 Ningpo Road.

A regimental parade of the Fourth U. S. Marines was held at the Race Course Mar. 20, as a parting honor to Lieutenant-Colonel W. Dulty Smith (executive officer of the corps for the last two years), who is departing for America, via Europe, on Mar. 26 on the *President Adams*, to take up a post in the States, accompanied by his wife and daughter.

Mrs. Helen Stansfield Campbell, a resident of Shanghai and Tientsin for several years, died at the General Hospital on Monday of this week following an operation for an abdominal ailment. Mrs. Campbell was a sister of B. J. Stansfield, director of the China Import and Export Lumber Company. She was a member of the staff of the American Bank Note Company.

The annual spring sacrifices to Confucius were held at the Confucian Temple in Peiping, March 21. General Sung Cheh-yuan, Chairman of the Hopei-Chahar Political Council, presided over the ceremony, which was attended by all the members of the Council and high officials of the Peiping Municipality and the headquarters of the Pacification Commissioner of Hopei and Chahar.

The alarming increase in the export of scrap iron, steel and copper during recent months is engaging the serious attention of the Nanking Government authorities, who are taking preventive measures against the activities of Japanese purchasing agents. These Japanese agents, have been most active in various commercial cities in China, buing old locomotives, firearms, and copper coins.

Capt. Evans F. Carlson, former U. S. Marine Intelligence Officer stationed in Shanghai and later connected with the U. S. Legation Guard in Peiping, but now on regular duty in the United States, is planning to return to China next autumn. For several months Capt. and Mrs. Carlson have been stationed at Warm Springs, Ga., where Capt. Carlson had charge of a special guard assigned to President Roosevelt's residence at the summer camp.

A *Reuter* message from London Mar. 22, stated that China's first woman diplomat—27-year-old Miss Anna Huang—is amazed at the "backwardness" of Englishwomen. They are not nearly so advanced in freedom of action and their choice of careers as she had thought. Miss Huang arrived in London on said date to take up her appointment as Third Secretary of the Embassy. This post is the first in the Chinese diplomatic service abroad ever to be filled by a woman.

Captain William Van Buskirk, who departed for the United States on Mar. 22 to be absent from Shanghai for a year, was given a farewell dinner Mar. 18 by Shanghai Camp No. 1, United Spanish War Veterans and Branch 54, U. S. Fleet Naval Reserve. Captain Van Buskirk has been in the Orient for 37 years. He was with the U. S. Army in the Philippines in the early days, later becoming a prominent businessman there. He came to Shanghai in 1921 and was for 12 years Chief Deputy Marshal of the U. S. Court in China, retiring four years ago.

Among the decisions taken at the recent plenary meeting of the Local Autonomy Political Affairs Committee of the various Mongolian Leagues and Banners in Suiyuan Province at Kweihua was a petition to the Central authorities to remit funds for the construction of a new building for the Committee at Kungmiaotzu, which is about 7 miles west of Paotow. A manusoleum for Genghiz Kahn, the famous Mongolian leader, is to be constructed simultaneously with the construction of the new building for the Committee.

Answering an action brought in Los Angeles last week by W. B. ("Bert") Hall against the Douglas Aircraft Co. for $48,208 in commissions on the sale of 20 airplanes to the Chinese Government in 1931, Donald W. Douglas, President of the Company, told the court that Hall had never been connected with the Douglas Company. He said he understood Hall had been associated with F. N. Shoemaker, who was a free-agent for the sale of aeronautical equipment at Shanghai. He added that Mr. Shoemaker was in disfavor at present. Reference was made to the fact that Hall had previously been sentenced to 2½ years imprisonment for allegedly swindling Chinese military officials in an armaments deal.

I. Ionin, Russian confidence man, was released from Ward Road jail in Shanghai last week after serving a three-year sentence for forging and collecting on a $136,000 check. His release marked the end of his fourth jail experience since he left Russia during the days of the Red Revolution. He was imprisoned once in Harbin, three times in Shanghai. The sentence which he recently completed was for forging a check in 1934 made out to the China Tobacco Company for $136,000, ostensibly drawn on the account of the British American Tobacco Co. The check was cleared through the Chartered Bank.

In giving a verdict of suicide by lysol poisoning at the inquest into the death of Miss May Caroline Thompson, on Mar. 11, British Magistrate C. A. Haines, acting as Coroner, Mar. 23 stated that there was no foundation in the medical evidence in support of suggestions impugning the girl's honor. It was disclosed that the late Miss Thompson had a love affair with Howard W. Keep, who boarded at the Thompson home in Medhurst Road, Shanghai. Mr. Keep stated that the question of marriage had been discussed between him and the deceased and he had told her that it would be impossible for them to get married.

Three officials, held reponsible for the fall of the city of Changhwa, western Chekiang, into the hands of bandits on Dec. 21 last year, were sentenced to imprisonment by the Hangchow District Court Mar. 16. Yu Ming-chang, district magistrate of Changhwa, was sentenced to four years' imprisonment for desertion of duty, as he was in Hangchow when the city was captured. Li Hung, section chief of the District Bureau of Public Safety of Changhwa, was sentenced to three years and six months, and Wei Yin-huang, a secretary, was given three months. During the occupation of the city by the bandits, the District Government building and the District Party Headquarters were burned down and Chang Pen-fan, member of the Changhwa District Party Headquarters, killed. The city was recovered subsequently upon the arrival of the peace preservation units.

## Korean "Anarchists" Arrested by Japanese Police in Shanghai

The Political Section of the Japanese Consular police in Shanghai Mar. 19, arrested a man alleged to be a Korean revolutionary. On Mar. 21 another reported Korean revolutionary was also arrested, bringing the total to four since the beginning of the year. The Japanese Consular police authorities have consistently refused to divulge the names of these men, or the charges on which they are being held. According to reports in local Japanese papers the first Korean "anarchist" to be arrested was En Hei-gaku on Jan. 7. Another "anarchist" who has been detained is reported to be Sai Ten-min, and it is claimed that the man seized on Mar. 21 was one Sai, a follower of Sai Ten-min.

## Japanese-Korean Gambling Establishments in Peiping Raided by Police

The Peiping authorities are conducting a campaign against gambling and narcotic dens managed by Japanese and Koreans. On the evening of Mar. 16, Chinese police, accompanied by members of the Japanese consular police, raided the Ho Chung Hotel on Kwan Yin Ssu Chieh and arrested 45 gamblers, including four women. Two gamblers attempted to escape by leaping out of a window but they were seriously injured. They were arrested and taken to the Municipal Hospital for treatment. The raiding party next visited House No. 3 on Shih Tou Hutung and arrested 50 gamblers and drug addicts, including six women. Both establishments were operated by Koreans and Japanese.

### Korean Said Injured by Drunken French Sailors

Severe injuries were inflicted upon a Korean passer-by by three inebriated French sailors on Sunday night, at the corner of Jukong and North Szechuen Roads, the *Shanghai Nichi-Nichi* reported Mar. 21. The injured man, one Kim, was rushed to the General Hospital in an ambulance. The attackers were arrested by the Chinese police and later handed over to the Dixwell Road Station of the Municipal Police.

## Chu Hsueh-fan to Make Reports on Smuggling and Factory Inspection

Commissioned by the Central Government to attend the World Textile Conference in America and the 23rd International Labor Conference at Geneva Chu Hsueh-fan, expert on Chinese labor problems, departed for the United States Mar. 18 aboard the *President McKinley*. In a written statement given to local pressmen prior to his departure, Mr. Chu stated that China will not sumbit any proposals to the World Textile Conference, in which she is participating for the first time. Following the conclusion of the textile meet, Mr. Chu said that he would proceed to Geneva to attend the International Labor Conference as China's labor delegate. The conference will have on its agenda problems relating to safety of textile, printing and chemical workers and fixation of the minimum age of workers and regulation of working hours.

Reports, according to the labor expert, will be submitted by the Chinese Government to the labor meet, namely, on the smuggling activities in North China and on factory inspection in foreign settlements.

The former has not only affected the livelihood of Chinese workers, but also the financial and currency situation in China while the latter has a bearing upon the welfare of Chinese laborers as well as the sovereignty of China, Mr. Chu said.

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# New Books of Interest in the Far East

## A Guidebook to Chinese Drama

*Secrets of the Chinese Drama. By Cecilia S. L. Zung. Kelly and Walsh. $10.00 Shanghai Currency.*

Attractively bound in red and white cloth, Cecilia Zung's "Secrets of the Chinese Drama" presents itself as a guide to the Chinese theater. It accomplishes what it sets out to do and performs an excellent service in explaining the actions and symbols used on the Chinese stage, besides giving synopses of fifty Chinese plays, the book being well illustrated with 240 photographs and 54 color plates.

It was probably the intention of the author to make Chinese drama more intelligible to the foreigner, but Chinese friends with whom we have talked since the book made its appearance have seemed equally interested. And if our impression gained by attending Chinese plays with Chinese friends is correct, not all Chinese understand much of the technique of acting, the significance of symbolical movement and gestures. From which we conclude that the book is not limited in its interest to foreigners alone.

Miss Zung has been a Chinese theater-fan since she was four years old, and although a practising lawyer today, she still finds time to attend many plays, some of which she has seen over and over again. An amateur actress herself, and a singer of acknowledged ability, Miss Zung knows her Chinese theater well. Moreover, having had the assistance of Dr. Mei Lan-fang himself in the preparation of her book, and the loan of dozens of his photographs in professional roles, the dependability of her material, the trustworthiness of her book as a guide, may be granted without question.

In it are explained the conventions regulating color and style of costumes for different character parts and for different occasions. The stage properties, including the horse-whip which symbolizes the horse itself, are explained and illustrated in coloured plates. A number of chapters are devoted to stage technique and the meaning of gestures. To continue with the same illustration, the gestures which indicate leading a horse, mounting, dismounting or turning around on horseback are all explained, with only the horse-whip in hand. Chinese musical instruments, so different from those of our Western orchestras, are named and explained. Character types, indicated by highly conventionalized facial make-up, are explained and well illustrated. The complicated sleeve movements, hand and arm movements, foot and leg movements, waist movements and general symbolic actions are all carefully explained, so that with this help the Chinese stage and the Chinese play should mean a great deal more to the uninitiated.

One review we have noticed criticized Miss Zung's selection of plays as "obsolete." With no claim to being authoritative on this point, we beg to point out that such plays as we have seen on the Chinese stage, including two by the great Mei Lan-fang himself, are all included in the fifty which Miss Zung has chosen to summarize. Moreover, having heard the author say that she knows the stories of something like 750 more Chinese plays, if we wish her well in this her first effort, she may be persuaded to take time for the editing of many more synopses, including more of the popular plays amongst them. But we consider this first production more than an effort. It is a carefully prepared study of a complicated matter, presented in clear and understandable form, certain to be of great help to all who desire to patronize the Chinese theater and know that is going on.

G. T. F.

## Why Nations War and How to Avoid It

*War Drums and Peace Plans, by Raymond Leslie Buell and Ryllis Alexander Goslin, Published by The Foreign Policy Association. Distributed by Grosset and Dunlap, 1140 Broadway, New York City. Price U. S. 35 cents. 38 pp.*

This hard-paper bound booklet of 38 pages is an intelligent, terse and constructive review of the conditions which have led the whole civilized world into the mess it finds itself today, and an attempt to point the way to clarification of the issues involved in the impending world war with a view to avoiding conflict.

As one of the Foreign Policy Association's "Headline Books," it does not attempt an exhaustive analysis of world conditions, but proceeds from fact to fact in logical sequence until the whole picture is clearly etched.

War will begin in either of three places, the authors maintain. In the Far East, where Japan is on the march; in the Mediterranean where Fascist Italy glorifies war and Il Duce proudly boasts of the day when the glories of ancient Rome will be restored; or in Central Europe, where Reichsfuehrer Hitler and the Nazis rose to power because of their militaristic attitude and their pledge to restore the proud German nation to its former greatness.

The efforts made by the nations of the world to gain security, either by powerful national defenses, by military alliances or by neutrality legislation, are then reviewed and the weakness of each method is tersely pointed out. The failures of the League of Nations have outweighed its successes, and the authors, after summarizing the events leading up to creation of the League and reviewing its present strength and weakness, point out that this vast organization for peace cannot be relied upon to maintain peace, hence other methods are required.

This brings the reader down to the basic point of economic rivalry particularly between the "have" and the "have not" nations. The three "have nots," Japan, Germany and Italy, cannot be satisfied until they "have," therefore it is up to the "haves" to appease this need.

But there seems to be practically no chance that the "have" nations will give up any of their colonies or voluntarily provide the "have nots" with sufficient raw materials. Economists seek out other methods. Lowering tariff barriers permitting freer trade in the world is an important step in removing the causes of war, but free trade can never be achieved under the capitalistic system. Another group of economists therefore advocate the adoption of world planning on the basis not of individual profit but of production for use and distribution according to need.

"Whichever solution is the wise one, it seems clear that neither one can be adopted so long as the nations live in fear of war," the authors point out. "Revised peace plans must therefore find some way to guarantee security so that the nations will not consider it necessary to build up strong national defenses and prepare for war."

The authors do not offer a panacea for the world's ills but they give the reader an insight in the present madness, so that present and future peace plans can be intelligently considered.

E. H. L.

## Political Handbook of the World

*Political Handbook of the World, 1937; Published by Harper & Bros., New York, For Council on Foreign Relations, Inc.; U.S.$2.50.*

This annual publication provides useful, and in fact indispensable data for those who seek information on the composition of governments throughout the world, the programs and leaders of political parties, political affiliations, newspapers, and the organization and functions of the League of Nations, the World Court and the International Labor Office. It provides briefly and clearly the information essential to an intelligent understanding of day-to-day political events everywhere.

The 1937 edition of this valuable reference book is the latest of a series that was initiated in 1928. It has been thoroughly revised and brought up to date as of Jan. 7, 1937.

The various countries of the world are grouped alphabetically, thus facilitating reference work. Important details such as capitals, area, and population figures (either estimated or according to the last census) are given. Then follows the name of the king or president and when he assumed office, the present composition of the cabinet, the prime minister or premier, make-up of the legislative body, party programs in detail, both government and opposition, and a list of the most important newspapers and periodicals, their political affiliations and their editors and publishers.

The section on China covers five pages, two of which are devoted to the press. Briefly and concisely the policy of the Kuomintang is given, the composition of government, the status of Manchukuo and the officially suppressed Communist party.

With this book it is possible to follow intelligently changes in governments, the rise and fall of Cabinets and movements in any part of the world. The news of the day from any country is given its political background and significance. It is extremely useful to anyone who desires to understand what is going on in the world today. As a reference book it is undoubtedly one of the best.

## Carl Crow's New Book on the Highways of Chekiang

With all due credit to Pearl Buck, Lin Yutang and other writers on China, Carl Crow—our own Carl Crow of Shanghai—probably still retains the title of author of the most widely circulated book in the English language dealing with China. We refer to Crow's "Handbook for China," which most tourists, serious minded and otherwise, for many years have purchased and commited to memory.

But this is not about the Handbook, it's about another new book by the same author, entitled, "Chekiang Highways," which has just been published by Kelly and Walsh, Shanghai. (Price $4.65.)

It contains descriptions of twenty, three famous places of historical interest, with illustrations and names in both English and Chinese. In the back is a road log covering trips to said famous places with detailed information about the distance from

the camel-back bridge to the pagoda and thence back by way of tea-plantation hill to the filling station.

Among the descriptions of the ancient port of Ningpo is a reference to the old foreign cemetery which contains the tomb of the "marrying missionary," otherwise the Rev. E. C. Lord who gained his title, not from performing ceremonies for others, but by marrying (and burying) six wives, the remains of whom lie beside him, or around him, in the Ningpo burial place. Rev. Lord served for a considerable time as American Consul at Ningpo. He died Sept. 17, 1887.

Other descriptions refer to the famous Hangchow Bore, most spectacular in Spring and Autumn. The description is accompanied by a map and an explanation of this strange tidal wave which is still regarded as supernatural by the simple peasant folk. Of special interest is the description of the "Eyes of Heaven," otherwise the famous mountain Tien Mo Shan, place of great antiquity, long popular among scholars, artists and monks who have described its beauties in sketches, poems and paintings.

Not least in interest is an excellent description of Hangchow, the "City Beautiful," and its famous West Lake district.

The rapid extension of modern roads throughout Chekiang are destined soon to make that province, adjacent to Shanghai, one of the most visited places in the Orient for foreign and domestic tourists.

B. J.

## Modern Chinese Stories

*Living China, edited by Edgar Snow. George G. Harrap & Company, Ltd., London, Bombay & Sydney.*

Edgar Snow, the author in addition to being a prolific writer himself, is definitely gifted with unlimited patience, and sensitiveness to his environment, not shared by many foreigners residing in Asia. It is understandable, if he even surprised himself with his own skill in translating, condensing and interpreting for the reader the very life of the "present-day upper-and lower-class Chinese, how they, among themselves, really work, act, love, play, and rationalize their role in the design of things."

Literature galore has been flooding the market on things Chinese and literally hundreds of volumes have been written on China by the Occidental and by Chinese themselves for foreign consumption mainly, but to date, this apparently is the first volume to include sketches of modern Chinese thought intended chiefly for Chinese readers only, thus it is accepted with genuine appreciation.

The biography of Lu Hsun prepares the reader for his stories included in part 1 of Mr. Snow's translations. Lu Hsun, is one of the most celebrated modern Chinese writers, who presents realities and being an individualist with a large admiring audience, he with several other modern Chinese writers have been pointed out as having "dangerous thoughts" and eleven of Lu Hsun's books have been banned by the Kuomintang.

"Think and study the economic problems of society," he advises, "travel through the hundreds of Chinese villages, visit the generals and then visit their victims, see the realities of your time with open eyes and a clear mind, and work for an enlightened society, but always think and study." "Only the resurgent, educated youths, he believes, are capable, of diagnosing China's fundamental diseases. Reared in a class which is fast decaying, they alone can understand it, and create an intelligent social order.

"Medicine" one of the first short stories of Lu Hsun's included in this volume, many critics rank as one of the best pieces of short fiction produced during the Chinese 'literary renaissance' period. Chinese medicine shops have been heard about the world over, furnishing an abundance of interest to the medical as well as the laity, and therapeutics, for the many millions in China, are strange concoctions and combinations, powdered deer horns, tiger bones, dried pig's and sheep's blood, believed by many to have miraculous remedial effects. The story is based on this superstition and is given much credit. "Medicine is presumably a veiled attack on the government for not more actively combating such practices and deals with the pathos of the philosophy, of defeat and frutsration which ignorance engenders among the masses." It is more gruesome than most of Lu Hsun's stories; nevertheless even here "if one feels the death in his humor, one also feels the humor in his death," as some one ably remarked.

"A Little Incident" is subtle and to most readers has a world of meaning. The others; "Benediction, Kites, Mothers, and Divorce" all verify Lu Hsun's ability in the literaty field and create a desire for more. There will be, of that you may be sure, many Mrs. Grundy's, among the readers of these modern Chinese stories, as written by Jou Shih, Mao Tun, Ting Ling, Pa Chin, Shen Ts'ung-wen, Sun Hsi-chen, T'ien Chun, Lin Yu-t'ang, Hsiao Ch'ien, Yu Ta-fu, Chang T'ien-yi, Kuo Mo-jo, Shih Ming, Sha Ting), who will arch their eyebrows, and rush to remind us the stories are gross imaginations, but notwithstanding they still remain works of art.

M. P. W.


*New Books on Things Chinese*

# WATER MARGIN

Written by SHIH NAI-AN and Translated by J. H. JACKSON
Edited by FANG LO-TIEN

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## Missionary Directory Omits Members Resident in Manchukuo

The new directory of Protestant Missions in China, published by the *North-China Daily News*, Shanghai, carries an explanatory note in the preface to the effect that "all particulars of the various Missions located in Manchukuo had been omitted." The reason for the omission, according to the compilers of the book, were due to difficulties in obtaining information "due to prevailing conditions."

Aside from the omission of Mission workers in the Manchurian provinces, the directory is complete for the remainder of China.

## British Boxer Indemnity Board of Trustees Issues Report

The Board of Trustees for the administration of the Indemnity Funds remitted by the British Government (78 Shansi Road, Nanking), has issued its regular semi-annual report in brochure form covering the first six months of 1936. The contents include Personnel of Board and Office, Loans for Productive Enterprise (granted and under consideration), Educational and Cultural Work, Contracts, Minutes of the Standings Committee and of the Board of Trustees, Financial Report of the Board for the 24th Fiscal Year and List of Scholarship Students of the Board. The subject matter is covered in some detail, and the booklet provides a valuable reference work for study of the workings of the British Indemnity Fund.

## "Foreign Policy Association" Discusses American Policy in the Far East

The Foreign Policy Association, 8 West 40th Street, New York City, has recently issued two pamphlets: "American Policy in the Far East" by T. A. Bisson; and "Chaos or Reconstruction," by Raymond Leslie Buell. Both writers are well-known as political scientists.

Reviewing American policy in the Far East, Mr. Bisson concludes that the United States has no intention of retreating from the Far East. The American government has continued to support the principles of the open door and China's territorial integrity, the trans-Pacific airline has been established, American technical and financial aid has been extended to China's aviation, Philippine independence will not be achieved before the storm has broken, naval building is proceeding at Pearl Harbor, and there has been a growing insistence on long-range bombing planes and large-sized battleships.

Mr. Buell reviews developments which have taken place in Europe during 1936 and examines the factors leading to an outbreak of open war on that continent. The year, he says, was marked by four major attacks on democracy and international organization. The first was the conquest of Ethiopia in May; the second, when Hitler denounced the Locarno agreement and marched his troops into the demilitarized Rhineland; the third, Hitler's crusade against Communism, which led to the Popular Front policy of the Communist International; and the fourth, the outbreak of the Spanish civil war. He asks the question, might not a Fascist victory in Spain create a similar situation in France? However, he considers that in spite of setbacks democracies have gained in strength.

## President Roosevelt to Visit Philippines and China

Advices from the United States this week indicated that President Roosevelt would visit the Philippines this summer, the date depending on how long the present session of Congress will continue.

The President is expected to stop over in China for a brief visit, during which he will meet Chinese government leaders.

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March 24, 1937

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Total Volume: 1,590,000 Shares

| 1936—37 High | 1936—37 Low | Div. $ per sh. | STOCK | Last Sale Mar. 22 | Last Sale Mar. 23 |
|---|---|---|---|---|---|
| 22⅝ | 9⅝ | 0.55 | Adams Express | 19½ | 20 |
| 83⅛ | 35¾ | 1.50 | Allis Chalmers | 65 | 67 |
| 137½ | 105⅝ | 4.00 | American Can | 106⅝ | 107 |
| 40¾ | 29¼ | 0.00 | Amer. Cyanamid "B" | 29¾ | 30⅝ |
| 12¼ | 6¼ | — | American & For. Power | 10⅝ | 10⅞ |
| 68⅞ | 29¾ | — | American & Foreign Pwr. $7. pfd. | 58⅛ | 57 |
| 29¼ | 18¾ | 0.60 | American Radiator | 24½ | 27⅛ |
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| 45¼ | 28⅛ | 1.00 | Continental Oil | 41 | 41¼ |
| 82½ | 62⅝ | 3.00 | Corn Products | 67⅝ | 67⅝ |
| 82¼ | 50⅝ | — | Douglas Aircraft | 61½ | 62½ |
| 184¾ | 133 | 7.00 | Du Pont de Nemours | 159 | 156 |
| 28 | 15⅜ | — | Electric Bond & Share | 22¾ | 22 |
| 64¼ | 34½ | 1.00 | General Electric | 54¼ | 55⅜ |
| 44¼ | 22⅝ | 2.00 | General Foods | 41⅜ | 41⅜ |
| 77 | 50⅜ | 4.50 | General Motors | 61⅝ | 61⅞ |
| 65¼ | 22½ | 1.00 | General Railway Signal | 53 | 53 |
| 49⅞ | 13⅝ | 1.00 | Gold Dust | 43⅝ | 45 |
| 46¼ | 21⅝ | 0.50 | Goodyear Tire & Rubber | 41⅛ | 42¼ |
| 80⅜ | 57 | 1.00 | Humble Oil | 79 | 79⅝ |
| 72⅞ | 42¼ | 1.60 | International Nickel | 66¼ | 68¼ |
| 19¼ | 11¼ | — | International Tel. & Tel. | 13 | 13⅜ |
| 68¼ | 28¼ | 1.70 | Kennecott | 60½ | 61⅝ |
| 80⅜ | 43 | 2.00 | Loew's Inc | 74½ | 76¼ |
| 28⅝ | 21⅛ | 1.20 | Lorillard | 23⅞ | 23⅞ |
| 103 | 79 | 1.70 | Monsanto Chemical | 89½ | 90 |
| 68⅜ | 35⅜ | 2.00 | Montgomery Ward | 59½ | 61¼ |
| 37⅜ | 27 | 2.19 | Nat. Bond Investment | 27 | 27⅜ |
| 28¼ | 21 | 1.20 | National Dairy Prods. | 24¼ | 24 |
| 34¼ | 25⅝ | 2.00 | National Distillers | 32¼ | 33¼ |
| 14⅞ | 9⅜ | 0.60 | National Power & Lt. | 11½ | 11½ |
| 54¾ | 27⅜ | — | New York Central | 49 | 51¼ |
| 36⅝ | 23⅞ | 1.00 | North American | 26⅜ | 27⅜ |
| 41 | 20⅜ | 2.00 | Pacific Gas & Electric | 32⅜ | 32¼ |
| 58⅜ | 44⅜ | 3.00 | Pacific Lighting | 44½ | 44⅛ |
| 12¾ | 6⅞ | 0.45 | Packard Motors | 10½ | 10½ |
| 49⅞ | 28¼ | 2.00 | Pennsylvania Railroad | 45½ | 47¼ |
| 57⅜ | 38⅛ | 2.50 | Phillips Petroleum | 52⅜ | 54 |
| 52½ | 39 | 2.60 | Public Serv. of N. J. | 44⅛ | 45 |
| 14¼ | 9⅜ | — | Radio Corporation of Amer. | 11¼ | 11¼ |
| 60¼ | 50 | 3.00 | Reynolds Tobacco "B" | 50⅜ | 51 |
| 58⅝ | 37⅜ | 3.00 | Schnley | 48¾ | 49⅜ |
| 101½ | 59⅝ | 3.00 | Sears Roebuck | 87 | 87⅝ |
| 19⅜ | 12½ | 0.70 | Socony-Vacuum | 17⅜ | 18¼ |
| 32½ | 25 | 1.50 | Southern California Edison | 27¼ | 27⅜ |
| 65 | 22½ | — | Southern Pacific | 58¼ | 60½ |
| 18¼ | 14⅜ | 0.80 | Standard Brands | 14⅞ | 15 |
| 14⅛ | 5⅛ | — | Standard Gas & Electric | 11⅝ | 12 |
| 75½ | 51⅓ | 1.00 | Standard Oil Co. of N. J. | 68½ | 70¼ |
| 78½ | 65 | 3.80 | Sterling Products | 66 | 66 |
| 44⅜ | 33 | 2.00 | Texas Gulf Sulphur | 39 | 39 |
| 18⅛ | 11 | 0.40 | Transamerica | 15⅜ | 15⅜ |
| 110½ | 71⅝ | 2.80 | Union Caride & Carbon | 102¼ | 104 |
| 149⅜ | 108½ | 6.00 | Union Pacific | 142½ | 143 |
| 34⅝ | 20⅝ | 0.50 | United Aircraft (New) | 30¼ | 30⅞ |
| 24⅜ | 13 | 0.20 | United Airline Trans. | 20 | 20⅝ |
| 13⅜ | 4 | — | United Corporation | 6¼ | 6½ |
| 19½ | 14¼ | 1.00 | United Gas Improvement | 14¼ | 14¼ |
| 59 | 31¼ | — | U. S. Indus. Alcohol | 40 | 40⅝ |
| 69⅝ | 16⅝ | — | U. S. Rubber | 64¼ | 67 |
| 126 | 46⅜ | — | U. S. Steel | 112⅜ | 115 |
| 38⅛ | 16¼ | — | Vanadium | 33⅜ | 34½ |
| 18⅜ | 9¼ | — | Warner Bros. Pictures | 13⅞ | 14⅛ |
| 167⅝ | 94½ | 5.50 | Westinghouse Electric | 135½ | 140 |

Call Money: 1 %

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# BANK OF CHINA

**Paid up Capital: . . . . . $ 40,000,000.00**

Chairman: T. V. Soong General Manager: Sung Han-chang

## HEAD OFFICE

50 Hankow Road, Shanghai

Telephone: 11080-9 Cable Address: Centrobank

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